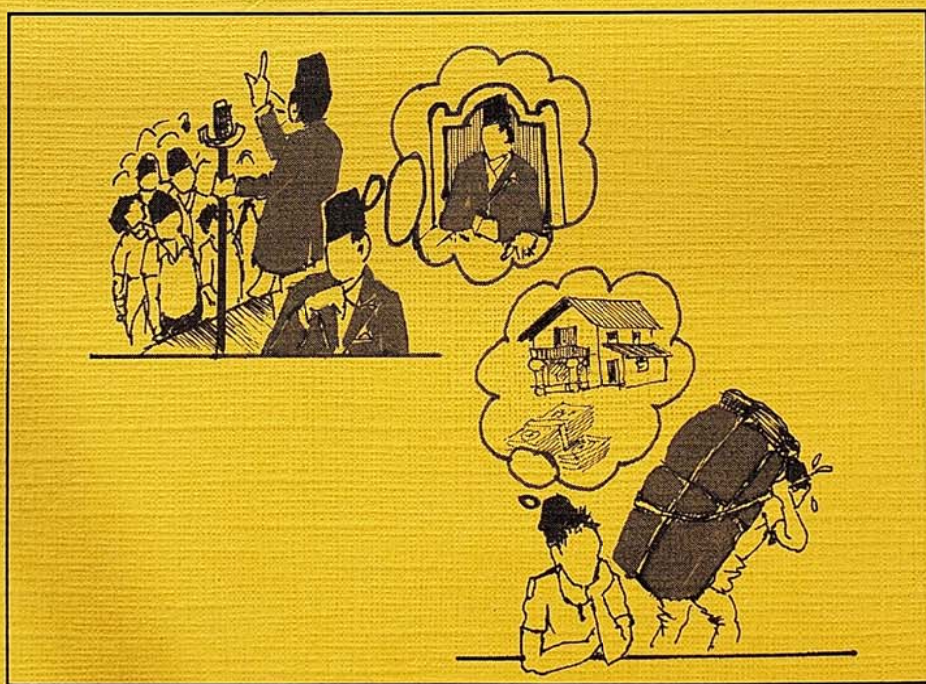# Towards Local Democracy in Nepal

Power and Participation in District Development Planning

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Acknowledgements

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Preface

This book deals with a very pressing issue. Decentralisation has become a mainstream policy approach in many developing countries to improve the effectiveness of state governance for development. While decentralisation is often linked to participation and to strengthening local democracy, there remains almost everywhere a conspicuous implementation gap.

The author addresses this crucial deficit by investigating the links between local democracy and power in Nepal. The balance between power and participation is very delicate indeed in every institutional setting. By addressing this central determinant of regional governance, this book develops an innovative conceptual and methodological framework for the evaluation of interactions in a multi-level governance system and for improving development politics.

Nepal has undergone a remarkable process of administrative decentralisation based on districts paralleled by the establishment and strengthening of basic elements of local government. Dr. Adhikari provides a suitable setting to investigate the degree of public participation in district development planning and its performance under competing interests with different power thresholds.

This book has set out to go beyond the level of descriptive analysis by embarking on a broad discussion of relevant explanatory paradigms. The result is an innovative contribution to a highly relevant discourse in planning theory. Supported by valuable information from international comparisons, the author presents empirically backed and theoretically linked recommendations for the future of local democracy and district development planning in Nepal. The findings are equally relevant for the scientific state of the art as for political guidance to improve the Nepalese system of decentralisation.

We have accompanied and advised the author during his studies at the University of Dortmund in Germany. After the Faculty of Spatial Planning has conferred on him a doctoral degree we wish and hope that his innovative study will be widely circulated in Nepal and abroad.

Prof. Dr. V. Kreibich
Prof. Dr. G. Kroës

Abstract

This is a qualitative study carried out in the context of local governance in Nepal. It focuses on district planning and management from the perspective of democratic participation of citizens while power and participation provide the theoretical framework.

Nepal was under an authoritarian regime for centuries. Since the 1990s, the country has been moving towards democracy, decentralisation and participatory governance. Decentralisation as a strategy changes structures and power relations between levels of government and among the key stakeholders. In this policy environment, the study explores and analyses dimensions of power focusing on how power is generated, shared and exercised in dealing with public affairs, and how these power relations and related dimensions affect local planning and other democratic practices.

The study explores and analyses a number of critical issues within its broader theoretical framework. It finds that the weak capacity of local government, the centralised mindset of bureaucrats and politicians, the weak internal democracy of political parties, limited fiscal decentralisation, the growing conflict and the absence of elective representatives in local governments are the foremost challenges in the path of effective local democracy and local governance. It also finds that decentralisation in Nepal is immature and prone to recentralisation.

There is a weak linkage between decentralisation and poverty reduction interventions. The current practice of bottom-up participation in planning excludes poor and marginalised groups while the benefits of decentralisation, if any, are grabbed by the local elites. Weak and fugitive accountability further weaken democratic practices at the local level. All these factors erode the credibility of institutions delivering services at the local level. If it is not checked in a timely manner, this may result in further weakening local governance and may add to growing conflicts.

On the theoretical ground, the research generates new theoretical propositions. First, it finds that participatory planning and representative democracy do not go well together. Indeed, it is difficult to bring them together on practical grounds. Bottom-up participation in planning requires sharing power with stakeholders, which needs open-minded officials having internalized democratic values. Secondly, the research reconfirms Flyvbjerg's finding that power uses rationality to further strengthen power, largely ignoring the spirit of rationality. It also finds that local institutional fabric and respect for democratic institutions at a grassroots level are very vibrant in Nepal, providing solid foundations for democratic institutions to work effectively and sustainably.

Based on its findings, this study offers two sets of recommendations. While the first set is applicable to policy, the second set refers to the district level with special reference to the case district of Kavre. Key recommendations include redefining the Nepalese polity, restructuring and reorganizing functions of central and local level institutions, reorienting the mindset of officials, focusing on development equity, improving the credibility of district level institutions, building the capacity of local governments and democratizing the practices of local governments and political parties.

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List of acronyms and abbreviations

ADDC/N	Association of District Development Committees, Nepal
CBOs	Community Based Organizations
CDO	Chief District Officer
CEAMP	Community Environmental Awareness and Management Project
CIAA	Commission for the Investigation of Abuse of Authority
CIDA	Canadian International Development Agency
COR	The Committee of the Regions of European Union (EU)
CPI-M	Communist Party of India-Marxist
CPN-UML	Communist Party of Nepal-United Marxist Leninist
DAAD	German Academic Exchange Service
DACAW	Decentralised Action for Children and Women
DC	District Council
DCIC	District Chamber of Industry and Commerce
DDC	District Development Committee
DDP	District Development Plan
DFDP	Decentralised Financing Development Programme
DFID	Department for International Development
DIMC	Decentralisation Implementation Monitoring Committee
DIMWC	Decentralisation Implementation Monitoring Working Committee
DIP	Decentralisation Implementation Plan
DLGSP	Decentralised Local Governance Support Programme
DPPs	District Periodic Plans
DRSP	District Road Support Programme
EU	European Union
FGD	Focus Group Discussion
FUGs	Forest User's Groups
GDP	Gross Domestic Product
GEM	Gender Empowerment Measure
GIS	Geographic Information System
Gov't	Government
GTZ	German Agency for Technical Cooperation
HAN	Hotel Association of Nepal
HDI	Human Development Index
HMG/N	His Majesty's Government of Nepal
ICIMOD	International Centre for Integrated Mountain Development
IDS	Institute of Development Studies
IOG	Institute of Governance
IPFC	Integrated Plan Formulation Committee
JICA	Japan International Cooperation Agency
LB	Local Bodies (DDC, VDC, Municipality)
LBFC	Local Bodies Fiscal Commission
LDF	Local Development Fund
LDO	Local Development Officer
LGP	Local Governance Programme

LG	Local Government
LGUs	Local Government Units
LSGA	Local Self-Governance Act
LSGR	Local Self-Governance Regulation
MEST	Ministry of Environment, Science and Technology
MLD	Ministry of Local Development
MoF	Ministry of Finance
MP	Member of Parliament
MuAN	Municipal Association of Nepal
NAVIN	National Association of Village Development Committees of Nepal
NC	Nepali Congress
NDC	National Development Council
NGO	Non-Governmental Organization
NPC	National Planning Commission
NRs	Nepalese Rupees
OECD	Organization for Economic Cooperation and Development
PDDP	Participatory District Development Programme
PDO	Panchayat Development Officer
PERC	Public Expenditure Review Commission
PRA	Participatory Rural Appraisal
PSOs	Private Sectors Organizations
PPP	Purchasing Power Parity
RCIW	Rural Community Infrastructure Works
RIDP	Rural Infrastructure Development Programme
RNA	Royal Nepalese Army
SDC	Swiss Development Cooperation
SMC	Supervision and Monitoring Committee
SNV	Netherlands Development Organizations
TDFB	Town Development Fund Board
TOR	Terms of Reference
UCs	Users Committees
UK	United Kingdom
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
US	United States
USSR	Union of Soviet Socialist Republics (former)
VDC	Village Development Committee
VDP	Village Development Programme
WB	World Bank
WFP	World Food Programme

- **Exchange rate (March, 2005):** 1 US$ = 71 NRs.; 1 Euro = 85 NRs.

- **Inflation rate (%):** 2004/2005: 4.5, 2003/2004: 4.0, 2002/2003: 4.8, 2001/2002: 2.9, 2000/2001: 2.4, 1999/2000: 3.5.

1.   Introduction

1.1   Background

This study is about a living politico-economic reality of the tiny Himalayan King-
dom of Nepal. The case district selected for this study is Kavre-Palanchowk, which
is popularly known as Kavre. The district in question represents harsh realities going
back centuries. While one-third of the district is well-connected to the global market
from the standpoint of tourism traffic, another third gives the impression of primitive
society of the eighteenth-century in terms of socio-economic development and the
remaining third can be safely put in the category of districts identified as an 'average.'

The second half of the book analyses these contrasting multiple realities and how
interventions are designed and implemented to tackle these. Some of the hard facts
and findings in these chapters have not been interpreted and analysed in detail, leav-
ing it to the readers to draw their own conclusions.

1.2   Context and introduction of the research concept in brief

There is a worldwide trend in favour of administrative reform, decentralisation and
local governance. There has been a wave of reforms to decentralise power away
from central government and locate it closer to 'where people live.' Recent research
shows that sixty-three developing countries have undertaken some form of decen-
tralisation process in the last decade. Decentralisation presents unique opportunities
to invoke the right of the citizens to involve themselves in local decision-making
processes and participate in planning for their own local governance (IDS 2004: 1).
In fact, the global trend is both part of the democratisation process and a political
reaction to the failures of centralised models of administration, planning and man-
agement. Recent decades have increasingly seen people seeking active roles in shap-
ing the institutions around the world. Moreover, they have also insisted on having a
say whenever rules affecting their lives are formulated.

The decentralised form of district development planning and management makes
it possible to explore and utilize local potentials as it increases ownership of local
people in development activities and strengthens decentralised governance at the
local level in the medium and long-run.

Nepal is not an exception and has undertaken efforts bordering on decentralisa-
tion for more than 40 years. The Nepalese experience has shown that there are many
obstacles that debilitate decentralised planning and rule out effective public man-
agement. One of the impediments is the gap between district level planning and
implementation. The inconsistencies ultimately not only weaken the efficiency of
local government but also adversely affect the local governance system. This ex-
plains why the performance of local government units (LGUs)[1] is being questioned

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[1] The terms - Local Bodies (LBs), Local Government Units (LGUs) and Local Governments (LGs) are
interchangeably used in this study to describe the local elected unit of governments: District Development
Committee (DDC), Village Development Committee (VDC) and Municipality.

in recent years. This is arresting the overall decentralisation process as it is reflecting badly on the local governance system (see chapter 5 for detail).

One of the objectives of the research at hand is to identify pertinent issues related to decentralisation and district planning with reference to implementation gaps in the decentralised policy and institutional context. The key indicators used to measure the implementation effectiveness (gaps) in this study are physical achievements or progress, beneficiary groups, budget expenses, revenue collection efficiency and time efficiency (see chapter 2.2, 5.2 and 8.6 for detail).

The study also explores and analyses determinant factors of successful planning, participation, decentralisation and development management at the district level. The implicit objective is to contribute to the improvement of the local governance system of Nepal (see objectives in chapter 5.1).

The study deals with different sets of research questions; the key research questions are given below (see chapter 5.2 for details).

1. How is decision-making power shared at vertical and horizontal levels with different stakeholders (power and participation)?
2. How do different stakeholders act and interact in the participatory planning process (power dimension and rationality)?
3. How do grassroots level stakeholders perceive the participatory district planning process (grassroots perspectives on participation practices)?
4. What are the implications of the ongoing political conflict in the country?
5. What are the key policy implications of the pertinent issues and practices generated in response to different research questions outlined above?

1.3   Scope and primary focus of the study

The study is about:

1. District planning in the context of decentralisation;
2. Decentralisation in the context of district planning;
3. Decentralisation policy research (which may also be seen as policy analysis in the sense that decentralisation policy and related legal framework have been referred to and analysed in many chapters);
4. District planning in the theoretical framework of different planning theories;
5. District planning, decentralisation, planning theories, sociological and political theories as different components of the study while all of them are important in their own ways.

The study is more or less about all of these although its major focus is on 'district planning in the context of decentralisation.' Meanwhile, the research interest lies in district planning practices, decision-making dimensions, implementation and management practices in real world situations. The theoretical references of the study are power and participation.

The research shall try to explore the determinants of successful district planning and implementation in a decentralised policy and institutional setting. Hence, the focus of the study is not decentralisation per se, but to explore the reality behind related conceptual and theoretical knowledge (i.e. power and participation). Therefore, measurement of the degree of implementation effectiveness (gaps) is a milestone or departure point of in-depth exploration so that the study does not lose its focus.

The related conceptual and theoretical paradigms are reviewed, discussed and referred to in the light of implementation realities that are demanded by the issues and concerns explored, grounded in contemporary practices.

1.4   Structure of the book

The main body of the book is divided into ten chapters. Chapter one provides a brief background and introduction of the research. This chapter is closely linked with chapter five for details.

Chapter two explores the research issues in the light of scientific discourse. The first and second chapters set the pace for chapter three, which focuses on capturing empirical knowledge by reviewing and assessing the decentralisation policy with reference to Nepal. This chapter also covers the conflict situation and related emerging socio-political and economic phenomena in Nepal.

Chapter four includes an overview and assessment of decentralised planning in Nepal from multi-level perspectives. It includes planning at different governance levels and their key stakeholders. Chapter five presents research concepts, problems, objectives and research questions in detail. It also includes the specific context, assumptions, significance and scope of the research. Chapter six describes the research framework, strategies and methods. It helps to link the theory and concepts with the empirical world. Chapter seven presents an introduction of the case district Kavre-Palanchowk.

Chapter eight offers a more thorough exploration and analysis of the district planning and implementation in the case district. Most of the empirical evidence and its analysis in response to the research questions are included in this chapter. It covers diverse aspects from key planning stakeholders to the bottom-up participatory planning process, power dimensions and the role of planners and key officials in the given context. It also sheds light on critical issues of power, participation, planning and implementation dimensions of the district plan. Thus, it analyses pertinent issues related to decentralisation, participation, local governance, district planning and implementation, which are summarised under the sub-chapter 8.7.

The first part of chapter nine (9.1) includes a summary of key findings of the study specific to the national and the case district (Kavre), while the second part (9.2) illuminates the newly created knowledge in light of the theoretical paradigms of power and participation.

Finally, chapter ten offers sets of recommendations specific to policy and the case district (Kavre) for improving the existing situation. A glossary of operational definitions is included in appendix 2.

2. The research issue in light of the scientific discourse

This chapter outlines a general overview of the existing theoretical understanding related to the research topic. This includes power, participation, development planning and related concepts and strategies (i.e. decentralisation). Efforts have been made to cover general theoretical concepts, development and governance models and related contemporary issues.

Marshall and Rossman (1999: 43) outline the reasons for reviewing an existing body of knowledge for research. According to them, the research is a "thoughtful and insightful discussion of related literatures that builds a logical framework for research that, in turn, sets it within a tradition of inquiry and a context of related studies." Thus related theories and literatures build a framework on which empirical knowledge is pinned, tested and discussed in the face of existing knowledge.

2.1 The generation and use of power in politics and planning

The study revolves around politics (as theory and practice of government) in the light of power and rationality it denotes. In this context, rationality relates to the democratic planning from which stakeholders generate power through rationalizing the process and use the rationality power to influence the political authorities and decision-makers. Particularly, this section discusses politics, rationality and power in a democratic set up (see glossary in appendix 2 for definitions).

Power, politics and planning

Power is the potential ability to influence behaviour, events and resistance which is enabled by having access to resources due to position, whereas politics refers to the deployment of influence as a process or behaviour through which potential power is realised (Burnes 1669 and Pfeffer 1992 in Leermakers 2003: 37-38).

A rapidly changing paradigm of planning has broken the technical monopoly and brought planning exercises closer to politics. Planning now is more a political process rather than an isolated technical exercise, which means planning has to deal with politics that is embedded in power. Inferentially, decisions related to planning are political decisions which, in turn, means planning, politics and power are closely interlinked and interact with each other.

Healey relates politics with planning in two major aspects. While the first aspect refers to "relations of power, wherever exercised," the second refers to "deliberate efforts to gain influence and exercise of power in the public realm, the arenas for the public management of collective affairs. In its first sense, the discussion of politics connects the political relations of everyday life to the political structures of societies" (Healey 1997: 211).

Different studies provide an overview of various kinds of power interactions taking place in organisations. Etzoni identifies and explains three types of power relations that are used to achieve compliance: coercive power relations use threat, remunerative power relations use resources and normative power relations use persuasion

(Etzoni 1961 in Leermakers 2003: 37). However, in contrast, Flyvbjerg (1998: 5) shares his views of power with Nietzsche's and Foucault's approaches "power as productive and positive and not only as restrictive and negative." These power categories influence participation and politics in different ways.

From the perspective of development planning, the issue of power and politics can be examined from the following perspectives (Gross and Etzioni 1985 in Schall 1994: 48).

1. From the organisational/administrative point of view: the way planning institutions deal with the issue of power and politics;
2. From the planner's personal perspective: the way the planner deals with power, conflict and political influence; and
3. From the perspective of planning theory: distributional elements (equity), balanced growth, sustainability, etc.

More recently as planning paradigms have changed from a supply-driven (top down approach) to a rights-based bottom-up approach, power dimensions and relations have also been changed accordingly. In this context, attention has been given to the planner as an individual and how he/she can deal with the problems of conflicts in planning (Forester 1989, Friedmann 1987, Hoch 1984 and 1988, Healey 1992 in Schall 1994: 48).

Rationality, power and democracy

In his detailed empirical study "Rationality and Power" which was carried out in the Danish town of Aalborg, Flyvbjerg (1998) finds a number of pragmatic propositions about the relationship between what he called "real rationality" and "power." He uncovers the "real history" and "effective truth" of how "rationality" and "power" interact with each other and shape planning decisions and their future in the long-run. He redefines the relationship between rationality and power from very practical perspective: "rationality is context-dependent and the context of rationality is power. Power blurs the dividing line between rationality and rationalization. Rationalization presented as rationality is shown to be a principal strategy in the exercise of power" (Flyvbjerg 1998: 2).

Flyvbjerg with his new dynamic relationships of rationality and power challenges the long-held tradition of enlightenment ideals in the framework of rationality being context-independent. In reality, according to him, how power operates is not guided by the 'enlightenment ideals' but by a context specific situation (ibid: 2-3). He further explains "rationality as context-dependent," and as it relates to modernity and modern democracy, he emphasises reality, that the focus of modernity should not be on "what should be done", but in reorienting towards "what is actually done." In such a way "we obtain a better grasp – less idealistic, more grounded – of what modernity and modern democracy are and what kind of strategies and tactics may help change them for the better" (ibid: 3). He notes: "power has a rationality that rationality does not know, whereas rationality does not have a power that power does not know. […] This asymmetry between rationality and power forms a basic weakness of modernity and of modern democracy, a weakness that needs to be reassessed in light of the context-dependent nature of rationality, taking a point of departure in thinkers like Machiavelli, Nietzsche and Foucault" (ibid: 2).

Politics evolve around power. Location of power is an important element of politics and democracy. Flyvbjerg explains that, however, it is not easy to locate power centres while regulation, too, is equally complex. Most importantly, how power is exercised determines who wields the power, as he describes: "It is not simply localized in 'centres' nor is it something one can effectively 'possess' and regulate by law. The central question, in addition to who has power and why they have it, is how power is exercised. Power is studied with a point of departure in small questions, 'flat and empirical,' in Foucault's words, instead of based on 'big questions'" (Foucault 1982: 217 in Flyvbjerg 1998: 5-6).

The relationships between rationality and power and their complex dynamics are connected with the effectiveness of democracy. Flyvbjerg describes modern democracy as "strong on democratic ideals but weak on their realization." In this context, "how to make democracy work in modernity" is the emerging challenge. He notes: in response, democracy is a result of consistent efforts not only in the new democracies, but also in old democracies like in Denmark. "[…] Democracy is not something a society 'gets'; democracy must be fought for each and every day in concrete instances, even long after democracy is first constituted in a society. If citizens do not engage in this fight, there will be no democracy" (Flyvbjerg 1998: 5). He further explains the power dimension: "the closer one sits to political power, the less use one apparently has for technical documentation, and the less rational one is in this sense" (ibid: 27).

"Power, quite simply, often finds ignorance, deception, self-deception, rationalizations, and lies more useful for its purposes than truth and rationality, despite all costs. […] Individuals and groups that stand to gain from reality – or from certain interpretations, rationalizations, and lies about it – and that use politics to concrete the reality they want. When it comes to politics, even Plato – the ultimate defender of rationality – recommended the 'noble lie' that is, the lie which would be told to the citizens of his model state in order to support its moral and political order" (ibid: 38).

Rationality and power: challenges to democracy

Flyvbjerg concludes his famous 'Aalborg case study' by suggesting ten fundamental propositions as serious challenges to modernity and modern democracy. These propositions include some confirmation, some amendments and some challenges to the existing body of scientific knowledge and understanding on rationality and power that relate to politics, administration and planning (ibid: 227-234).

Power defines reality

Power defines reality instead of discovering what reality 'really' is. Flyvbjerg says: "This is the single most important characteristic of the rationality of power that is, of the strategies and tactics employed by power in relation to rationality. Defining reality by defining rationality is the principal means by which power exerts itself. This is not to imply that power seeks out rationality and knowledge *because* rationality and knowledge are power. Rather power *defines* what counts as rationality and knowledge and thereby what counts as reality."

However, power does not simply stop by defining an interpretation of the fact and ground reality, nor does it "entail only the power to render a given reality au-

thoritative. Instead, "power defines physical, economic, ecologic, and social realities" by itself (ibid: 227).

Rationality is context-dependent. The context of rationality is power, and power blurs the dividing line between rationality and rationalization.

"Philosophy and science often present rationality as independent of context. In contrast, Flyvbjerg, however, through the Aalborg case shows "rationality to be discourse of power. Rationality is context-dependent, the context often being power. Rationality is penetrated by power, and it becomes meaningless, or misleading – for politicians administrators, and researchers alike – to operate with a concept of rationality in which power is absent" (ibid: 227).

Rationalization presented as rationality is a principal strategy in the exercise of power.

Flyvbjerg notes: "The Aalborg study indicates the need for the study of politics, administration, planning and modernity, to distinguish between formal rationality and *Realrationalit←t,* real rationality. The freedom to interpret and use 'rationality' and 'rationalization' for the purpose of power is a crucial element in enabling power to define reality and, hence, an essential feature of the rationality of power" (ibid: 228).

The greater the power, the less the rationality

"One of the privileges of power, and an integral part of its rationality, is the freedom to define reality. The greater the power, the greater the freedom in this respect, and the less need for power to understand now reality is 'really' constructed. […] In a democratic society, rational argument is one of the few forms of power the powerless still possess" (ibid: 299).

"Nietzsche puts an interesting twist on the proposition 'the greater the power, the less the rationality' by directly linking power and stupidity: 'Coming to power is a costly business" (ibid: 300). Flyvbjerg explains with the reference of his case, Aalborg's Mayor also suffered in a similar way from the marginalization of mind by power. Will to power is also a will to life, but it may well lead to self-destruction (ibid: 300).

Stable power relations are more typical of politics, administration and planning than antagonistic confrontations

"Foucault characterizes power relations as dynamic and reciprocal: stable power relations can at any time evolve into antagonistic confrontations and vice versa" (ibid: 230). Flyvbjerg reconfirms Foucault's above conclusion and further redefines the reciprocal relationship as asymmetrical: "stable power relations are far more typical than antagonistic confrontations, much as peace is more typical than war in modern societies […] when such confrontations take place; they are quickly transformed into stable power relations. The result is that the issues shaping politics, administration, and planning are defined more by stable power relations than by antagonistic confrontations" (ibid: 230-231).

Power relations are constantly being produced and reproduced.

Power relations are constantly changing and they demand constant maintenance, cultivation, and reproduction.

The rationality of power has deeper historical roots than the power of rationality.

"[…] ideas like democracy, rationality, and neutrality, all central to modern institutions, are young and fragile when compared to traditions of class and privilege. […] Modern institutions and modern ideas such as democracy and rationality remain in large part ideals or hope. Such ideals cannot be implemented once and for all. We again need to remember that to call governments 'democratic' is always a misleading piece of propaganda" (Crick 1983: 27 in Flyvbjerg 1998: 231-232).

Flyvbjerg considers modernity and democracy as part of power, but not the end points of power. "Modernity and democracy do not 'liberate man in his own being,' nor do they, as Foucault says, free individuals from being governed. Modernity and democracy undermine religion and tradition and compel man 'to face the task of producing himself,' and of practicing government that will not obstruct, but will instead advance, 'the undefined' – and never-ending – 'work of freedom,' (Foucault 1984: 42, 46 in Flyvbjerg 1998: 232).

In open confrontation, rationality yields to power.

"Foucault says that knowledge-power and rationality-power relations exist everywhere," which Flyvbjerg's study further modifies the findings. "Where power relations take the form of open, antagonistic confrontations, power-to-power relations dominate over knowledge-power and rationality-power relations. […] Truth is the first casualty of war. […] Rationality yields completely, or almost completely, to power to open, antagonistic confrontation because it is here that naked power can be exercised most freely" (ibid: 232).

Rationality-power relations are more characteristic of stable power relations than of confrontations.

Flyvbjerg notes: "Interaction between rationality and power tends to stabilize power relations and often even constitute them. This stabilization process can be explained by the fact that decisions taken as part of rationality-power relations may be rationally informed, thereby gaining more legitimacy and a higher degree of consensus than 'decisions' based on naked power-to-power confrontation. *Stable* power relations, however, are not necessarily *equally balanced* power relations, understood as relations in which the involved parties act on equal terms" (ibid: 232-33).

The power of rationality is embedded in the stable power relations rather than in confrontations.

Confrontations are the basic characteristics of rationality of power, not the power of rationality. Flyvbjerg notes that democratically elected governments cannot exercise and gain benefits using power than the special interest groups generally do. "Democratic government of the modern Western variety is formally and legally based on rational argument and is constrained to operate within the framework of stable power relations even when dealing with antagonistic interest groups unless such groups go on to break the law and trigger police or military intervention. This difference in

the mode of operation of government and interest groups results in an unequal relationship between governmental rationality and private power, and between formal politics and *Realpolitik,* such that governmental rationality and formal politics end up in the weaker position. Inequality between rationality and power can be seen as a general weakness of democracy in the short-run struggle over specific polities and outcomes. It is a weakness, however, that cannot be overcome by restoring to the instruments of naked power, and modern democracy's ability to limit its use of naked power can be seen as its general strength" (ibid: 233).

For all practical purposes, Flyvbjerg notes: "power of rationality emerges mostly in the absence of confrontation and naked power makes rationality appear as a relatively fragile phenomenon" (ibid: 233).

Foucault (1981: 11 in Flyvbjerg 1998: 234) says the problem of truth is the general political problem. "The task of speaking the truth is 'endless' according to Foucault, who adds that 'no power can avoid the obligation to respect this task in all its complexity, unless it imposes silence and servitude (1984: 31 in Flyvbjerg 1998: 234). "Herein lies the power of rationality" (Flyvbjerg 1998: 234).

The challenges to democracy and potential solutions

From the power perspectives, the strengths of modernity and democracy are knowledge and rationality. However, in terms of power relations, both are very fragile. Because "Power has a clear tendency to dominate rationality in the dynamic and overlapping relationship between the two" (ibid: 234).

Flyvbjerg further explains the serious challenges of modernity and democracy, "Modernity relies on rationality as the main means for making democracy work. But if the interrelationships between rationality and power are even remotely close to the asymmetrical relationship depicted above […] then rationality is such a weak form of power that democracy built on" (ibid: 234).

Rationality and power have context-dependent asymmetric relationships. They are the core of the politics and planning. Flyvbjerg's propositions, as described above summarize the fundamental weakness of modernity, modern politics, administration and planning. Flyvbjerg suggests: "We consider whether we can afford to continue this fundamental weakness of modernity." The first step towards minimizing the weaknesses of modernity is to understand power dimensions. However, when we understand power dimensions then we will be forced to believe that "we cannot rely solely on democracy based on rationality to solve our problems" (ibid: 234).

Flyvbjerg (ibid: 234) also discusses some solutions to face and manage these challenges of democracy. He refers to the 'two main means of action in theory as well as in practice' as the 'modernist strategy of developing democracy by relying on rationality against power' (Habermas 1996 in Flyvbjerg 1998: 234). These are: the 'constitution writing' and 'institutional reform.'

However, Flyvbjerg shares his findings based on the empirical testing in the Aalborg case, which shows that the constitutional arrangement and institutional reform do not necessarily solve the problem fully in practical terms. He notes: "Whereas constitution writing and institutional reform may often be essential to democratic development, the idea that such reform alters practices is hypothesis, not an axiom. The problem with many advocates of institutional reform is that they reverse the axiom and the hypothesis: they take for granted that which should be

subjected to empirical and historical test. In Aalborg, such testing showed us that even the police – supposedly the guard of the law – refused to follow and enforce the constitutional principles institutionalists rely upon to promote democracy, not to speak of the many other actors in the case who again and again, for personal and group advantage, violated the principles of democratic behaviour they were supposed to honor as civil servants, politicians, and citizens in one of the oldest democracies in the world" (Flyvbjerg 1998: 234-235).

He mentions officials cross the democratic principle just for personal and group advantage. In fact, "political actors are experts at judging how far a democratic constitution can be bent and used, or simply ignored, in non-democratic ways. Such findings demonstrate that the question of how existing constitutions and their associated institutions can be utilized more democratically may frequently be more pressing than the question as to how to establish more democratic constitutions and institutions as such" (ibid: 234-235).

"The Aalborg study certainly conforms Robert Putnam's general observations that 'two centuries of constitution-writing around the world warn us […] that designers of new institutions are often writing on water' (Putnam et al. 1993: 17, 21, 183 in Flyvbjerg 1998: 235). "[…] Like the Aalborg study, Putnam and his associates find the social context and history profoundly condition the effectiveness of institutions; pre-modern social practices that go back several centuries drastically limit the possibilities for implementing modern democratic reform. […] In most societies, entrenched practices of class and privilege form part of the social and political context and limit the possibilities of democratic change. Putnam notes that the effects of deep historical roots on the possibilities of modern democracy is a 'dressing observation' for those who view constitutional and institutional reform as the main strategy for political change" (Putnam et al. 1993: 183 in Flyvbjerg 1998: 235). "[…] institutional change typically moves much more slowly and circuitously than is often assumed by legal writers and institutional reformists" (Flyvbjerg 1998: 235).

Flyvbjerg describes the third alternative way of strengthening democracy in a pragmatic manner. He notes: "The tradition shows us that forms of participation that are practical, committed and ready for conflict provide a superior paradigm of democratic virtue than participation that are discursive, detached, and consensus-dependent, that is, rational. We see that in order to enable democratic thinking and public sphere to make a real contribution to democratic action, one has to tie them back to precisely what they cannot accept in mush of modern democratic theory: power, conflict, and partnership, as has been done with the Aalborg study" (ibid: 236).

The problem of making democratic progress by constitutional and institutional reform alone is difficult. "At times direct power struggle over specific issues works best; on other occasions changing the ground rules for such struggle is necessary, which is where constitutional and institutional reform come in; and sometimes writing genealogies and case histories like the Aalborg study, that is, laying open the relationships between rationality and power, will help achieve the desired results. More often it takes a combination of all three, in addition to the blessings of beneficial circumstance and pure luck. Democracy in practice is that simple and that difficult" (ibid: 236).

Flyvbjerg concludes with "Machiavelli's warning about the dangers of normative attitudes: "[A] man who neglects what is actually done for what should be done learns the way to self-distraction" (Machiavelli 1984: 91 in Flyvbjerg 1998: 236). "The focus of modern modernity and modern democracy has always been 'what should be done,' on normative rationality. What I suggest is a reorientation towards the first half of Machiavelli's dictum, 'what is actually done,' towards *verita effecttuale*. We need to rethink and recast the projects of modernity and democracy, and of modern politics, administration, and planning, in terms of not only rationality but of rationality and power, *Realrationalität*. Instead of thinking of modernity and democracy as rational means for dissolving power, we need to see them as practical attempts at regulating power and domination. When we do this we obtain a better grasp of what modernity and democracy are in practice and what it takes to change them for the better" (Flyvbjerg 1998: 236).

An institutional approach to power relations: the power relations in social life

Forester (1993: 11) points out that "a critical account of organising leads us directly to a dialectics of power and resistance: power exists as a social relationship reproduced by concrete actions. Power, too, has its limits, its vulnerabilities. If we can investigate how the reproduction of power, as hegemonic patterns of attention, for example, can be itself vulnerable, we would be able then to inform possibilities of resistance to various forms of domination."

Healey (1997) notes: "An institutional approach to the power relations of social life seeks to avoid identifying power solely as an attribute of membership of particular classes and categories. It follows Marxist focus on relations between people, but recognizes much greater complexity in the forms and relations of power. It focuses attention in particular on the way the relational webs within which people live distribute power within them, and give access to material, social and cultural resources. Inequality is generated by differences in the richness of the webs people have access to" (Healey 1997: 118).

"In the complex relational webs in which we live, we are not equal. Those who have more resources and who are surrounded by circumstances which allow them to pursue their lifestyle choices have more power than those who do not. But power lies in more than just possession. It involves power over the rules of social relationships, the power to define how other people do things and what they are encouraged to value. Sometimes this power to dominate is obvious, visible power at the first level. But it may also be invisible, deeply ingrained in our social practices and modes of thought. These relations of power in any situation derive from modes of thinking and social positions attained previously. They act as structures, which frame subsequent actions" (ibid: 112-113).

Healey (1997: 93) further cautions the danger of failing to notice the "deep structure" of power embedded in our mental state or perception, which could unknowingly reinforce the power relations and driving forces that might constrain the invention of new practices. Thinking about the forces which structure relations of power helps to identify which are the potentially powerful actors, interests and groups in any situation of actual or potential conflict. It helps not just in thinking clearly about what is obvious about power relations. It further helps in uncovering the deeper structures of power embedded in thinking and acting (ibid: 113).

Healey further describes an institutionalist approach to power relations which emphasises that "our activities take place within, and are constituted by, the structures created by our predecessors. These generate patterns of resource flow, of behavioural rules and cultural systems of meaning which embody particular relations of power. Through these resources, rules and ideas, we come up against the relations of power" (ibid: 211-212). Healey discusses three dimensions of power relations in the society. These are summarised in the table 1.

Table 1:   Power relations in social life

Power relations	Descriptions
Pluralist power relations	This is an obvious dimension of power, which includes ability to get access to material resources. The possession of material resources gives power to acquire goods, to buy influence, to realize lifestyle ambitions and to exercise power over others. Pluralist conception recognizes diversity and conflicts between and among interests.
Weberian power relations	Max Weber recognizes the significance of social status and position as power. Higher class deserves better access to material resources and resources of social position. Social life is not just a pluralist competition between different groups; it is an unequal competition, in which the higher social ranks are able to maintain control of the best situations. These discriminations are not the result of individual achievement and capacity, but of birth. Higher ranks have better access to opportunity and resources.
Marxist conceptions of power relations	Marxist theory challenges the existing perceptions and brings forth new dimensions of power relations. In this theory, class positions do not just arise out of social history but are actively produced by the processes of capitalist exploitation.

Source: Adapted from Healey, 1997: 112-116

Both the pluralist and the Weberian conceptions have some similarities, as both agree that unequal access and control over resources are the sources of inequalities. Healey argues: "Policies directed at reducing inequality could therefore be targeted at 'redistribution' giving those disadvantaged in the game of the market or of social position access to the resources and positions of the successful and privileged" (ibid: 115). "Pluralist, Weberian and Marxist conceptions of social order and power relations draw the attention of social theorist and public policy analyst in the 1970s." Healey further argues that power relations have changed in recent decades and "they have been transformed and overtaken by a challenge to the pervasive focus on power as arising within the spaces of economic and political organisations. These other sources of power are characterised not by the language of material inequality but by concern with domination, with oppression and limitation and with obvious and subtle forms of discrimination and exclusion" (ibid: 116-117).

Power, politics and planning in developing countries

Rondinelli sees planning and implementation as pure political exercise. He argues: "All plans are political statements and all attempts to implement them are political acts. The pretension that planners and administrators are politically objective or neutral is naive" (Rondinelli 1983: 120 in Schall 1994: 49). In this context, Schall argues that "in many cases planners have to deal with politicians who try to influence the planner for official or private reasons, local elites try to gain the maximum benefit from the development activities (often at the cost of rural poor) and there are power struggles within the planner's own organisation which he or she has to deal with" (Schall 1994: 49).

Benveniste argues that planners do acquire power. He notes: "Of course, there will be circumstances in which planners seem to have very little elbow room. But the question becomes: How much elbow room can they acquire?" (Benveniste 1989: 5). In terms of acquiring power, Benveniste compares 'Prince' with decision-makers and planners with advisers. He notes: "We infer that the persons with power listen, accept, and act. [...] The Prince asks for advice and then follows it. If his advisers are wrong, the Prince will suffer and probably change advisers" (ibid: 5).

It reminds of Machiavelli's advice: "A prince should always seek advice. But he should do so when he wants to, not when others want him to; indeed, he should discourage everyone from tendering advice about anything unless it is asked for [...] [Yet] a prince who is not himself wise cannot be well advised" (Machiavelli 1514 in Catanese 1984: 15). To Machiavelli the Prince was the state.

Power and political relationships are distorted in countries where international agencies are in dominant positions in development business, mostly in the countries with weak economies. In these cases, some effects occur in local and national politics, priority setting and decision-making (Rondinelli 1983: 122 in Schall 1994: 48). Schall notes "Elites in these countries often monopolize power since they actively control all the important production functions" (Schall 1994: 48).

In the developing countries where a democratic government does not exist, the ruling elite often makes decisions and the administration simply dutifully carries out the ruling elite's decisions. In these countries planning and politics are not interactive enough and not mutually integrated. Furthermore, "most politicians in these countries are only interested in getting quick results and are as such not interested in the planner's long-range strategies which are based on some form of comprehensive analysis" (Rondinelli 1983 in Schall 1994: 48).

 Briefly, planners in developing countries where planning is not established as institutionalized practice and democratic exercise have a very limited scope of power generation through rationality. Ruling elites together with donors and vested interest groups monopolize development activities in most cases. Planners do not have enough authority to plan, have very limited access to resources where the leaderships give little attention to planning exercises. In these cases, the planner often has to generate power through the access to information, ability of interpretation and analysis. Such power is generated through individual expertise rationalizing collective platforms: participatory planning, conferences, meetings, interactions with people and different stakeholders. Since such power is highly dependent on individual initiatives, trait and ability, these initiatives help shape planning practices in the long-run.

2.2 Power: sociological perspectives and implementation dynamics

This section discusses some sociological perspectives and related arguments by correlating them with social systems, power and implementation practices. The discussion includes Giddens' structuration theory, Bourdieu's theory of practice, Foucault's discursive and disciplinary practices and Heeks' theory of conception-reality gaps.

Giddens' structuration theory

Giddens in his 'constitution of society' (1984) has developed a famous social theory of social systems, the structuration theory. *Structuration* is a French word appropriated by Giddens in his theory. The core of structuration theory lies in three major components: structure, system, and duality of structure. *Structure* refers to the rules and resources, or sets of transformation relations, organised as properties of social systems. *Structuration* means conditions governing the continuity or transmutation of structures, and therefore the reproduction of social systems. *System* refers to the reproduced relations between people organised as regular social practices.

Giddens' main claim is his theory draws together the two principle strands of social thinking. "In the structuralist tradition the emphasis is on structure (often understood primarily as constraint), whereas in the phenomenological and hermeneutic traditions the human agent is the primary focus. Structuration theory recasts structure and agency as mutually dependent duality" (Rose and Hackney 2002: 1-2).

In other words, Giddens provides new sociological insight primarily focusing on institutions and human practices. The first one focusing on institutions is intended to facilitate an understanding of the interwoven rules and resources that 'bind' social systems. The second view is the analysis of strategic conduct of human being which highlights the temporal flow of situated practice through which social activities are generated, produced and reproduced. The concern of the second view is pinned on the nature of practice and its intended and unintended consequences. According to Giddens' theory, "human practices are built from a reflexive monitoring of conduct, making that conduct appear rational, understandable, and accountable to self and other. Individuals draw upon rules (how to go on) and resources (with what means) in their actions. Thus rules and resources generate and mediate the production of practices" (Boland et al. 1998: 407).

Giddens notes: "knowledgeability of social actors does not imply perfect control of action. There are also unacknowledged conditions and unintended consequences of action. This realization implies that generalization about social phenomena can only be temporally and spatially bounded" (Giddens 1993 in Kouroubali 2002: 2-3). The theory of structuration states that the basic domain of social science is neither the experience of the individual nor the existence of any form of societal totality but social practice. Through social activities people reproduce the actions that make these practices possible (LSE 2005). Structuration theory thus offers an alternative view of social phenomenon that incorporates both subjective and objective interpretations of the world. Giddens proposes a view of human agent and social structure as mutually interacting duality rather than independent and conflicting agents. The theory, thus, answered the long-standing paradoxical questions related to relationship between 'action' and 'structure' (Kouroubali 2002: 2).

Giddens emphasises power from the sociological perspective. He notes: "our daily lives are 'structured' by relations of power, including those embodied in political systems" (Giddens in Healey 1997: 211).

Power to make a difference

Human agency, in Giddens' notion, is the 'capacity to make a difference' (Giddens 1984: 14 in Rose and Hackney 2002: 2). "It is intimately connected with power – in fact, this is one of its defining characteristics since the loss of the capacity to make a difference is also losing power. In practice, human agents almost always retain some transformational capacity. Power involves the exploitation of resources (focused by signification and legitimation) that are structured properties of social systems drawn on and reproduced by knowledgeable human agents in the course of interaction. Giddens refers to two kinds of resources: authoritative resources, which drive from the coordination of the activity of human agents, and allocative resources, which stem from control of material products or aspects of the natural world" (Rose and Hackney 2002: 2).

According to Giddens, resources are mobilized with purposeful human action utilizing the capacity of knowledge. In this context, Giddens notes two types of knowledge. The first is "discursive knowledge" that can be articulated by human agents. The second is "practical or tacit knowledge" which is used in action but cannot be explicitly expressed. He also describes reflexivity as another character of human agents, which refers to the capacity of humans to routinely observe and understand that what they are doing. "A central premise in Giddens' theory is that human agents are purposeful, knowledgeable, reflexive and active. The word 'agent' implies purpose and power. An agent is able to intervene in the world, or refrain from intervention. An agent can 'make a difference' by exercising some power" (Giddens 1984 in Kouroubali 2002: 3).

Structure, agency and duality

"Giddens recasts the two independent sets of phenomena (dualism) of structure and agency as a 'duality'- two concepts which are dependent upon each other and recursively related. 'The structural properties of social systems are both medium and outcome of the practices they recursively organise.'(Giddens 1984: 25 in Rose and Hackney 2002: 2). The 'dimensions' of the duality of structure are presented in the well known diagram" (figure 1).

Structuration and social change

Structuration refers to the rules or processes, which, through the medium of discursive practices, constitute the continuity of structures, whether they exist at different levels: interpersonal, family, institutional, or at societal level. "Structuration is an ongoing process rather than a static property of social systems. Structuration refers to the conditions governing the continuity or transformation of structures and hence the reproduction of systems. Human agents use rules and resources and the properties of social systems in their everyday interaction" (Giddens 1979 in Kouroubali 2002: 2). "Structuration is therefore the process whereby the duality of structure evolves and is reproduced over time and space" (Giddens 1984: 191 in Rose and Hackney 2002: 3). Thus, structuration is a dynamic process. When social practices

evolve repeatedly over time and space dimensions, then routine constitutes a reasonably stable character of social life (figure 1).

Figure 1:   Social practice with time and space dimension
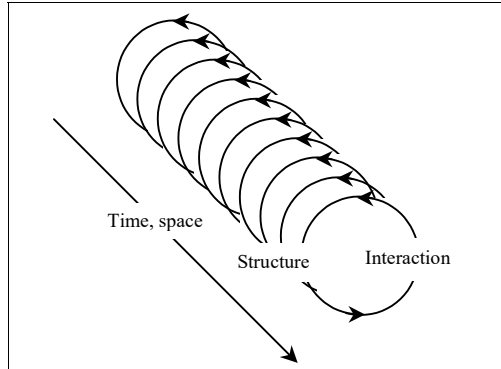
Source: Giddens, 1984 in Rose and Hackney, 2002: 4

As shown in figure 1, regular actions of humans as knowledgeable and reflexive agents (time and space) establish patterns of interaction that become standardized practices in organisations. Habitual use of standardized practices becomes institutionalised forming the structural properties of organisations (Kouroubali 2002: 3).

Action and power: power as transformative capacity and domination

Broadly speaking, the concept of action is logically linked to that of power as the capability of achieving outcomes. Giddens in his Central Problems in Social Theory (1986: 91) argues: "deal with structure as implicated in power relations and power relations as implicated in structure [...] power must be treated in the context of the duality of structure" (Giddens 1986: 91 in UMel 2005). Power is thus not an act but is 'instantiated' in action – a regular and routine phenomenon. It is also an error to treat power as a resource. Rather, 'resources are the media through which power is exercised and structures of domination reproduced." Giddens argues that resources as structural components of social system are the keys for treating power in the theory of structuration (UMel 2005).

Bourdieu's theory of practice

Much like Giddens' structuration theory, Bourdieu's theory of practice represents generative structuralism. In contrast, Bourdieu introduces the notion of 'field' and 'habitus.' He used the term 'field' to illustrate that "actors and communities have something at stake in devising and executing their practices" (Boland et al. 1998: 408). A field is a network of social relations among the objective positions within it.

Structuralism, according to Bourdieu, focuses on the objective structures of language and culture that give shape to human action. "Since actions translate into structural changes at the societal level, communities strive to engage in practices that

will maintain or improve their position vis-à-vis competing players in the field. Whereas the concept of field captures such first-order structures as the division of labor, 'habitus' captures the second-order structures, i.e., schemes of classifications and evaluation internalized in people's minds and bodies. Habitus is a set of inter-subjective understanding that predispose the individual to engage in behaviour that is compliant with the practices of his/her community" (Boland et al. 1998: 408).

Bourdieu examines the social construction of objective structures with an emphasis on how people perceive and construct their own social world, together with how perception and construction is constrained by the structures. An important dynamic in this relationship is the ability of individual actors to invent and improvise within the structure of their routines.

In Bourdieu's term the 'habitus' is the mental structure through which people deal with the social world which can be thought of as a set of internalized schemes through which the world is perceived, understood, appreciated, and evaluated. A habitus is thus acquired as the result of the long-term occupation of a position in the social world. Depending on the position occupied, people may have a different habitus. The habitus operates as a structure, but people do not simply respond in a mechanical manner. When people change positions, their habitus may sometimes no longer be appropriate for them. Thus, Bourdieu argues that the habitus both produces and is produced by the social world. People, thus, internalize external structures, and reciprocally, they externalize things that they have internalized through their practices.

Turner (1994) argues: "Studying practices requires a focus on mundane detail of everyday life so as to uncover the local habits, assumptions, and tacit knowledge that members of the social group have difficulty in articulating" (Turner 1994 in Boland et al. 1998: 407). "This has theoretical and methodological implications. Theoretically, a practice orientation suggests that the causes for human actions are situated, local, and socially constructed. Methodologically, a practice orientation relies on the interpretation of largely observational data collected over an extended period of time. It thus calls for field-based ethnographic research. […] Even though calls for a practice orientation persist, what is meant by practice remains ambiguous" (Boland et al. 1998: 407).

Power relations in the society: Bourdieu's view

Bourdieu describes power from sociological perspectives particularly relating to his notion of 'field' and 'habitus.' The social world is not simple as it initially appears. It has a great variety of semi-autonomous fields such as art, religion, culture and so on. Bourdieu describes different types of capital: economic, social, cultural, scholarly and symbolic capital and relates them to the different aspects of the society (Fowler 1999: 2). The society is a type of competitive marketplace in which economic, cultural, social, scholarly and symbolic powers are generated and exercised. The pre-eminent field is the field of politics from which a hierarchy of power relationships serves in structuring all other fields directly or indirectly. Hence, any analysis of social field refers to its relationship with politics and power relations. The next step, as Bourdieu argues: is to map the objective positions within a field and, finally, the nature of the habitus of the agents who occupy particular positions (UoM 2004).

According to Bourdieu, these agents act strategically depending on their 'habitus' in order to enhance their 'capital.' Bourdieu is particularly concerned with how powerful positions within a field can perpetrate symbolic violence on less powerful actors. According to him, cultural mechanisms such as education impose a dominant perspective on the rest of the population in order to legitimise their power. The cultural preferences of the various groups within society constitute coherent systems that serve to unify and differentiate based on similar and divergent tastes. Through the practical application of preferences, people classify objects and in the process classify themselves. Bourdieu thinks that the field of taste involves the intersection of social-class relationships and cultural relationships. He argues that taste is an opportunity to both experience and assert one's position in the class hierarchy. These tastes are engendered in the deep-rooted dispositions of the habitus. Changes in tastes result from struggles for dominance within both cultural and social-class fields as different fractions struggle to define high culture and taste (UoM 2004).

Foucault's disciplinary and discursive practices: power as relations

Foucault (1977) views power not as an entity itself but power as relations. According to him, power is practiced as apolitical discourse rather than an entity. Here he is referring to authoritative power possessed by individuals. Foucault's theory of political practices further highlights that exercising power relations is not the prerogative of devious individuals, but is a necessary part of making sense of everyday life. This implies that reality is always influenced by political contexts.

Furthermore, "power relations are the historical creators of practices, and these, in turn, restrain the potential for future practices through the discursive recreation of everyday reality. Foucault's analyses have dealt with disciplinary practices in the discursive creation (and closure) of reality. He uses the term disciplinary to mean both constraining and relating to the growth of dominance of disciplines such as the medical or legal profession. He relates discoursing to policies and structures, thus linking the micro-level practices with macro-level ones" (Foucault 1977 in Boland et al. 1998: 408).

The ways of constructing coherent practices: institutions and organisations

Institutions provide social and organisational context within which decisions are made and actions taken. Institutions can be taken to mean not only organisations, but also laws, customs, and practices. Every individual works within a set of overlapping institutions, which provide a framework within which they lead their lives. Uphoff (1992 in Sage et al. 1998: 3) describes institutions as "a complexity of norms and behaviours that persist over time by serving some socially valued purpose, while an organisation is a structure of recognised and accepted roles." Uphoff notes that institutions can be organisations and vice versa (Sage et al. 1998: 3). Institutions, therefore, can be socially established agencies through which development policy-making and actions are taken aiming to achieve their noble objectives.

Boland et al. (1998: 408) see organisations as "systems of distributed cognition in which individual members make sense of their world by reflecting upon their experiences, making plans, and taking action. Coordinated organisational outcomes are achieved when individuals think and act in ways that take others into account. Practices and narratives are keys in accomplishing such coordinated outcomes.

Practices are more than mere actions; they are actions that draw upon meanings created within a community. Narrative is the mode of cognition that shapes the making of meaning and construction of coherence" (Boland et al. 1998: 408).

Forester (1993: 5) notes: "studies of practice in public policy, planning and public administration are often social-psychological in character, paying somewhat peripheral attention to questions of politics." He further argues: "Critical theory gives us a rich sociological formulation of communicative action that allows us to explore the political implications of practice in powerful ways. Practice is intentional and purposive. As intentional, it is phenomenologically accessible to us: we can investigate the ways that practitioners formulate and come to reformulate problems as they explore them (indeed as Schon's analysis does). As purposive, that practice is partially instrumental to be sure; it makes sense for us to ask what particular actors are after and how they may think strategically about reaching the ends they seek. But practice is far more than that. The ends that planners and political actors seek are far more diverse than they know at any one time, and the close analysis of any flow of conversation will demonstrate as much."

Organisations may have biases that are mobilized during the practice. Forester agrees that organisations have biases while he argues: "organisations do not mobilize bias in the abstract; their members do that as they select some issues as appropriate to address" (ibid: 6). He further notes: "Planning and administrative practice is purposive but not reductively instrumental. It is political and interested, too, but without automatically being cast functionally in the service of one class interest or another. But this notion of practice leads to closely related problem that of rationality. If we are to consider practice as the situated, practical, politically charged organising of attention, then when can we call that activity 'rational', and when not? For, if we cannot make sense of the rationality of such practice, our very formulation of practical activity will be suspect" (ibid: 6).

Dynamics of implementation reality

"The majority of the studies in innovation have either focused on structural characteristics of organisations or personal characteristics of the innovator (Jones and Bickinasle 2000: 161-177 in Kouroubali 2002: 2) as determining factors of successful implementation. Recently there are increasing interests to address the complex and paradoxical relationships between actions and structures linking to implementation success (Slappendel 1996: 107-129 in Kouroubali 2002: 2). It rejects the notion of "social structures as an objective reality as distinct from social interactions" (Jones and Bickinasle 2000: 161-177 in Kouroubali 2002: 2) as Giddens' structuration theory bridges both aspects as interactive elements.

Looking at the dynamic relationship, cause and effects are important when it comes to take implementation decisions towards achieving desired outcomes. In this context, Kouroubali (2002: 1-3) presents two theories to investigate the dynamics of 'what' and 'why' of implementation. First, as discussed earlier, is the Giddens' structuration theory while second is Heeks' theory of conception reality gaps. "Heeks' theory of conception-reality gaps helps illuminate the causes of an implementation outcome" (Heeks et al. in Kouroubali 2002: 1).

Heeks' theory of conception-reality gaps

Heeks' theory of conception-reality gaps (Kouroubali 2002: 2) argues: "implementation success or failure depends on gaps between design conceptions and organisational realities. According to Heeks, larger the conception-reality, gaps may set in greater risks of failure (Heeks et al. 1999). Heeks' theory of conception-reality gaps explores the balance that exists between the dimensions of 'current realities' and 'design conceptions' (Kouroubali 2002: 4). According to Heeks' theory, success and failure depends on the extent of mismatch between the conceptions and world-views of stakeholders involved in the development of system and public sector realities. Thus implementation efforts that tend to match its environment in relation to technical, social and organisational factors will have greater possibilities of meeting success.

There are three archetypes of conception-reality gaps that Heeks' theory argues and they are as follows (ibid: 4-5).

1. Rationality-reality gaps

Heeks distinguishes between two different realities in an organisation, formal and behavioural reality. Rational models assume logic, formality and objectivity that dominate the formal reality. According to Heeks, when there is a gap between rational and behavioural realities it might be attributed to individual differences, human cognitive or other limitations or to differences in viewpoints. As he explains, behavioural reality includes the factors such as human limitations, social objectives and subjectivity. When "[…] design is dominated by the objective, rational realities, […] a conflict may occur with the actual and perceived realities of […] stakeholders. Often individuals are unable to distinguish between the dominant rational paradigms and what goes on in reality, that is, theory vs. practice" (Westrup 1998: 77-91 in Kouroubali 2002: 5).

2. Private-public sector gaps

Generally speaking, government performance is compared with the performance of the private sector, and the efforts related to reform coming from the government are compared with that of the private sector. These are implicit sets of assumptions that government would improve if only it behaved more like the private sector. Government, however, is not a business entity and restricted to the private sector. The public sector has typically broader objectives than the private sector. Public sector encompasses broader social, political and economic factors in contrast to the typically narrow financial focus of private sector organisations. This suggests public and private sector entities are not easily comparable (Pollit and Harrison 1992 in Kouroubali 2002: 5). Therefore, "these ideas often fail to address the mixed record of private sector organisations or fail to acknowledge how far private sector management practice needs to be improved" (Willcocks 1994: 13-32 in Kouroubali 2002: 5). Furthermore, public and private sector players also differ when it comes to competing with other organisations. While the public sector straddles the political arena, the private sector is limited to business enterprises.

"Public sector tends to be much more tolerant than private sector towards the promotion of personal rather than organisational objectives and is aversed to risk and innovation. Finally, another fundamental difference between public and private

sectors is their understanding of customers. Private sector organisations tend to understand their customers in terms of what they buy while public sector organisations are concerned with every aspect of people's lives, their location, health, education, finances, criminal record, children, business activities, etc." (Heeks and Davis 1999 in Kouroubali 2002: 5). Given these basic conceptual differences, a system developed to address private sector needs may not match public sector realities, which leads to failure in implementation (Kouroubali 2002: 4).

3. Country-context gaps

The country-specific context is also a determinant of success or failure. "[…] systems developed in the context of a particular country may incorporate common assumptions of that context that are not necessarily applicable in other countries. Problems may occur when transferring knowledge, skill and technology even from industrialized countries to developing countries. Often, systems that are developed in industrialized, developed or even developing countries may differ in the organisational realities of other countries" (Kouroubali 2002: 4).

Implementation strategies and approaches

At the very outset there is not a significant body of literature particularly focusing on theoretical aspects of plan implementation, since implementation is considered as one of the components of planning. Traditionally, implementation was seen as the least important aspect and more as an administrative affair. In recent years, more attention is being paid to the implementation aspects of planning in the context of growing implementation gaps, changing contexts, multiple realities and unanticipated problems encountered during the implementation of the plan. The changing role of planning organisations (planning by those who are implementers) also helps in bringing implementation issues on the table of discussion during the planning phase.

Meshack describes two competing approaches of implementation process (Meshack 1992: 34), which are summarised below:

The compliance approach

This assumes that implementation is a technical routine or an apolitical process of carrying out predetermined plans and that the administrators or implementers are subordinates who comply with guidelines established by political leaders (Rondinelli 1983: 26 in Meshack 1992: 34). Maskin and Sjöström in this context note: "The early literatures assumed that each agent would simply report his own personal characteristics (preferences, endowments, and production capacity) to a social planner, who would use this information to compute the socially optimal outcome" (Maskin and Sjöström 2001: 1).

This is a very traditional approach that defines planning and implementation as separate functions performed by different set of actors. It emphasizes the roles of politician and administrator as policymaker and implementer, respectively. It defines the role of administrator as a subordinate and passive actor.

Meshack (1992: 34) presents that many public policies have failed in the developing world and especially in Africa because the policy-makers hold the compliance approach to administration, wrongly assuming that once policies are announced

administrators as subordinate would implement them and the intended results would be achieved in a non-political and technically competent way.

Experience in the developing world has shown that plan implementation is a dynamic process and somewhat unpredictable. It is directly influenced by political interaction and a variety of political, social, behavioural, economic and organisational factors (Cliffe 1971, Dinhan 1983, Finucane 1974 in Meshack 1992: 34).

The political approach

This approach views administration as an integral part of the policy-making process in which policies are formulated, refined, reformed or even abandoned in the process of implementation. This approach acknowledges the complexity of implementation process and its unpredictable nature. Policy-makers uphold this approach since any deviation brings undesirable effects and outcomes. "There is, therefore, a need to see how participation influences the planning process in favour of decentralisation and planning from below and how it helps to reduce deviations in implementation" (Meshack 1992: 34).

Maskin and Sjöström (2001: 1) present some modelling on implementation theory. They note that the implementation problem is the problem of designing a mechanism (game form) which becomes instrumental in striking an equilibrium, which satisfies some criterion of social optimality. They consider that the implementation problems are in the institutional framework.

Determinants of effective planning

Benveniste (1989) suggests that the effectiveness of planning has to be assessed from implementation perspectives. "If planning makes a difference and if the difference is worthwhile, we call it effective planning" (Benveniste 1989: 2). He, further notes: "when planning makes a difference, something is changed that would not have been changed otherwise. This implies that social power has been utilized" (ibid: 2). He cautions that who gets the benefits of the plan is a very 'large question' (ibid: 1).

"Why is planning political?" Benveniste explains the reasons, "Because it makes a difference" (ibid: 2). What affects the implementation is the social power. He refers: "Social power is the ability of 'A to alter B's behaviour. If power is not exercised, B continues to pursue his or her own wants and gratifications. When A exercises powers, B responds and alters the course of action. Simple logic tells us that planning that has consequences is linked with power" (ibid: 2-3).

Benveniste (1989) argues that "in most of the situations, social power emerges from a political process: from agreements, from consensus building, and from conflict resolution. To be sure much planning may not produce any changes at all." Plans should alter the course of action, if not, these plans can be called trivial and the planning process is converted into a futile exercise (ibid: 2-3).

Benveniste further notes that the degree of comprehensiveness, time horizons and levels of involvement are the scope of planning. However, he further suggests that comprehensiveness should be defined, if not, the plan would be controversial in achieving expected outcomes (ibid: 24). He notes:

1. The degree of comprehensiveness and time horizon of a plan are limited by the amount of time and money available to planners as they search for solutions.
2. The degree of comprehensiveness and the time horizon are directly related to stakeholder beliefs. In other words, there exist a direct interrelationship between the technical content and the political process of planning. This relationship does not arise from ideological or normative beliefs but is, instead, intrinsic to the logic of the planning process.
3. The degree of comprehensiveness or the time horizon will directly affect the credibility of the plan.

He emphasizes: "Sustained funding and support for planning are necessary, and of course they are. But that is not all that matters. The most dangerous waste of precious time results from the bureaucratization or routinization of planning" (ibid: 206-207). Functional network and coalition building also highly determines the effectiveness of planning (Benveniste 1989: 236) in multi-stakeholders environment. It is particularly important in participatory planning and local governance context that require active involvement of multi-stakeholders.

To encapsulate the discussion above, the following aspects are important considerations for effective planning:
1. Resources (time, funding and support).
2. Planning and decision making process: a) Involvement of stakeholders (participation/power sharing) and their network; b) Level of generation and utilization of power influencing the course of action (power dimension).
3. Outcomes of the plan: a) Achievement (benefits); b) Beneficiaries (who gets the benefits?)

These prepare the conceptual ground for measuring the implementation gaps related to the study at hand (see figure 21).

2.3   Democracy and sharing of power through participation

Participation is a way of sharing power with different stakeholders. If power is not shared properly, there is no real participation. However, participation in a broader term conveys different meanings to different persons and it is highly context-dependent. This study covers the following major dimensions of participation:
1. Participation in a democratic system: It is called participatory democracy in simple terms. Decision-making through democratic exercises including free and fair elections, legislative control, sharing of political power through different democratic institutions are the basic elements of participatory democracy. In such system, people take part in the decision-making process through election. This is what in general terms Western societies widely understand as democracy and participation. However, such situation in true sense does not exist in most developing countries.
2. Participation of civil society organisations like media, private sector organisations, NGOs, community based organisations, including participation of the citizens in governance-related affairs particularly at the local level.

The first dimension of participation denotes the macro-level perspectives of democracy and participation, which provides a political as well as institutional framework

for participation and democratic governance at national and local level. The second dimension of participation operates under the institutional framework given by the participatory democracy. This section reviews both the aspects. However, it is the second dimension which is the primary focus of this research which, in turn, has been undertaken to study the participatory district development planning and management.

Participation and decentralisation: interwoven concepts

Participation is the basic feature of any form of democratic government. With the advancement of the globalization process and the increasing consciousness of freedom, human rights and democratic values have been creating increasing pressures for greater participation in public affairs. Consequently, the role of the state in the economic, political and social domains, as well as the concept of public management has been changing in many ways. There have been growing governance concerns in which the state, the private sector and civil society have important roles to play in the promotion of democracy and development. Therefore, collaboration and partnerships among development partners are essential in many areas to advance democratic and development goals of the state (UN 2002: 4).

Participation and decentralisation are closely related concepts and have symbiotic relationships. Successful decentralisation requires local participation. Proximity of local government to constituents alone will enable them to respond better to local needs and efficiently match public spending to private needs. Furthermore, the process of decentralisation can itself enhance the opportunities for participation by placing more power and resources at the more easily influenced levels of government. In a political environment having poor traditions of citizen participation, decentralisation can be an important first step in creating regular predictable opportunities for citizen-state interaction (WB 2004).

This symbiotic relationship between decentralisation and participation leads to preparing policy frameworks. Here mechanisms for citizen participation could be considered a helpful pre-condition when evaluating the prospects for successful decentralisation. Inferentially, the design of decentralisation should take into account the opportunities and limitations imposed by existing channels of local participation. Compare this with the lack of participatory mechanisms which could be considered a motivation for decentralisation and could help create local demand for more participatory channels to voice local preferences. Thus participation can be taken to be both a means to successful decentralisation and a goal of decentralisation to a certain extent. Hence while designing decentralisation policies, these informational imperfections need to be taken into account so as to try and improve the depth and degree of citizen participation in local government action. Local government responsiveness, one of the main rationales for decentralisation, cannot be realized when there are no mechanisms for transferring information between the local government and its constituents (ibid).

Democracy as primary vehicle

In recent years, the world is witnessing the popularity of democracy as the "primary vehicle for the fulfilment of individual aspirations, the articulation of interests and

the nurturing of civil society" (Cheema and Maguire 2002: 10). The consolidation of democracy, as Juan Linz and Alfred Stepan (ibid: 17) argue, demands the existence of five inter-related conditions as follows

1. A free and lively civil society;
2. A relatively autonomous and valued political society;
3. The rule of law to guarantee citizens' freedoms and independent associational life;
4. A functioning state bureaucracy which can be used by the democratic government;
5. An institutionalized economic society.

According to Cheema and Maguire, there are two fundamental underlying rationales of democracy which, of course, are equality and liberty. They add that certain minimum conditions must be met in order for a system to be labelled as 'democratic.' These include, among others, and in no particular order, respect for human rights and the rule of law, collective deliberation, choice and participation and representative and accountable government. "Democracy is generally understood to denote a system of government, the distribution of power within that system and the grounded rules of and values inherent in the process. Democratization, in turn, is understood to be the process whereby democratic institutions, practices and beliefs are inbuilt and/or strengthened in a society. This includes fostering the participation of citizens in the democratic process. Participation can be ensured through formal mechanisms such as elections or through informal mechanisms such as civil society organisations" (ibid: 17-18).

Democratic principles and evaluating criteria

Molutsi (2002: 70) argues that democracy should be defined by its basic principles or values and how it works in practice. He outlined two-fold democratic principles as below:

1. Popular control over public decision making and decision makers,
2. Equality between citizens in the exercise of that control.

These are the principles that democrats in all times and places have struggled for while retaining popular control over public decisions even as they fight for an end of the monopoly of the elite in decision-making and reaping its benefits, overcoming obstacles surrounding gender, ethnicity, religion, language, class, wealth with a view to equalise exercise of citizenship rights. Molutsi says: "democracy is thus not an all-or nothing affair, but a matter of degree to which the people can have their influence over public policy and policy-makers while enjoying equal treatment and having their voices heard equally. The democratic principles outlined above are broad and therefore require to be specified more precisely in the context of a system of representative government in which the people assign the right to decide public policy to their representatives on their own behalf." Molutsi describes sets of mediating values (table 2) that are necessary through which these democratic principles are realized in practice. These values include the values of participation, authorization, representativeness, accountability, transparency, responsiveness and solidarity.

Table 2: **Democratic values, requirements and institutional means**

Democratic values	Requirements	Institutional means of realization
Participation	- Rights to participate - Capacities/resources to participate - Agencies for participation - Participatory culture	- Civil and political rights system - Economic and social rights - Elections, parties, NGOs - Education for citizenship
Authorization	- Validation of constitution - Choice of office holders/programmes - Control of elected over non-elected executive personnel	- Referenda - Free and fair elections - Systems of subordination to elected officials
Representation	- Legislature representative of main currents of popular opinion - All public institutions representative of social composition of electorate	- Electoral and party system - Anti-discrimination laws - Affirmative action policies
Accountability	- Clear lines of accountability, legal, financial, political, to ensure effective and honest performance civil service and judicial integrity	- Rule of law, separation powers - Independent auditing process - Legally enforceable standards - Strong parliament, scrutiny powers
Transparency	- Government open to legislative and public scrutiny	- Freedom of information legislation - Independent media
Responsiveness	- Accessibility of government to electors and different sections of public opinion in policy formation, implementation and service delivery	- Systematic and open procedures of public consultation - Effective legal redress - Local government close to people
Solidarity	- Tolerance of diversity at home - Support for democratic governments. and popular democratic struggles abroad	- Civil and human rights education - International human rights law - UN and other agencies - International NGOs

Source: Molutsi, 2002: 72

In table 2, the first column lists the main mediating values that are derived from two democratic principles – such as popular control and equality (as discussed above). The second column spells out the specific requirements for these values to be effective in the light of reality and practice. The third column lists the typical institutions through which these requirements (outlined in column two) can be met in a system of representative government in particular country. According to Molutsi (2002: 71-72) based on these values, representative governments derive their democratic character, and these values can be used, in turn, to assess how democratically the democratic institutions work in practice. Thus, it is Molutsi who has provided basic criteria for assessing democratic institutions in the light of democratic principles and values.

Cheema and Maguire (2002: 73) argue: "democracy is a question of degree, not an all-or-nothing situation which a country has or do not have." Therefore, the notion of assessment process is to be framed in the comparative model (How much? How far? etc.).

They propose a framework for assessing democracy along with broad categories of key indicators (figure 2). As they explain in the assessment framework, "it begins with the rights of the citizen, then deals with the representativeness and accountability of government and the different aspects of civil society before concluding with international dimensions of democracy."

Figure 2:   Democracy assessment framework
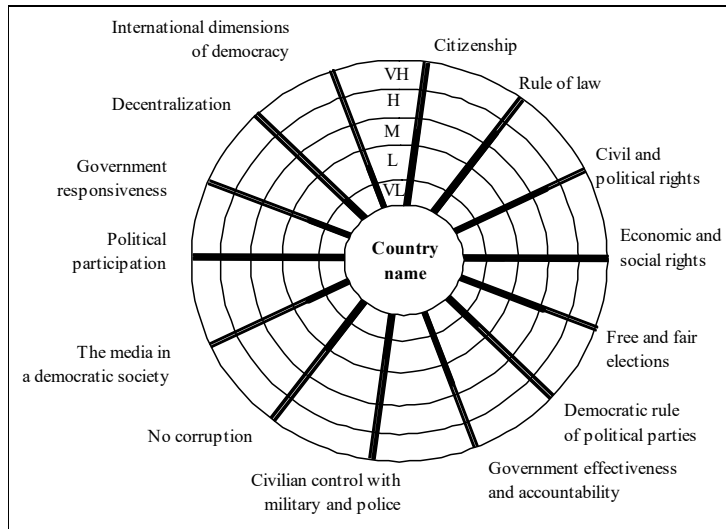
Note: VH=very high, H=high, M=medium, L=low, VL=very low

Source: Cheema and Maguire, 2002: 73

Molutsi argues: "It is important that government and other local and international actors continue the efforts to consolidate democracy and entrench good governance.

After a decade, however, progress in democratisation in new and restored democracies show fewer prospects than was initially expected. Research shows stagnation and distortion in elections, political parties and general management of new regimes show less democracy but stronger elements of electoral authoritarianism and dominant power politics" (Molutsi 2002: 78).

He further adds, "The issue of inclusiveness, participation and partnership, sustainability and process orientation are critical for a successful process of democratisation. What is most required in new and restored democracies today is more dialogue between leaders and their people and indeed with other stakeholders. Only dialogue will translate the constitutional provisions and institutional frameworks of democracy into culture and practice" (ibid: 78).

Political representatives and people's interests

Cheema and Maguire (2002: 18) explain the following four reasons of representing the interests of people by representative governments:

1. The public spirit of those who offer themselves for public service,
2. The use of their vote by citizens to select candidates with identical interests and devotion to public service while in office,
3. Citizens' use of their votes to remove those 'who would stray from the path of virtue',
4. The separation of government powers through a system of checks and balance in such ways that, together, they end up acting in the people's best interest.

However, making the claim of representing people's interest is a highly controversial issue. How does one make sure that political freedom and electoral participation of the people ensures true representation of the people? In this context, Manin Przeworski and Stokes (in Cheema and Maguire 2002: 18) argue: "citizens' control over politicians is at best highly imperfect in most democracies - and elections are not a sufficient mechanism to ensure that governments will do everything they can do to maximize the citizen's welfare."

The question which arises then, is what is the best political system in which political representatives truly represent the citizen's voice? Cheema and Maguire (2002: 19) argue, "though democracy is still more conducive to representation than other types of regimes, institutional reforms and innovations can promote a more inclusive democracy – a form of government in which needs and demands of the poor, minorities, and other disadvantaged groups are adequately represented." They, however, caution, "there is no guarantee that democratic development moves in only one direction and there is much to suggest that all political systems (including democracies, liberal or otherwise) become rigid, corrupt and unresponsive in the absence of periodic reform and renewal" (ibid: 19).

Cheema and Maguire conclude, "Democratic governance is the best system to ensure citizen participation in decision-making because it demands the participation of the citizens in selecting their leaders and holding them accountable. It also provides local governance and civil society mechanisms through which citizens can voice their concerns; make decisions at a local level and inform their elected representatives of pressing issues" (ibid: 31).

Przeworski (in Cheema and Maguire 2002: 23) argues that "while the jury is still out on whether democracies generate economic development or vice versa, democracies are much more likely to survive in wealthy societies. Robert Kaplan (ibid: 24), on the other hand, concludes "certain prerequisites are needed in a society before democracy can take root, including a certain level of employment, economic stability and civil peace." In Kaplan's view, "economic development first will increase the chances that a democracy will be sustainable" (ibid: 24).

To summarize the discussion presented above, there are three major argumentative elements which have to be kept in mind when studying or evaluating democratic governance – 'the what, the how and the why.' 'What' includes the democratic governance together with its institutions, processes and practices, 'how' is focused on the key principles of democracy as a form of governance, and 'why' governance includes internal and external factors that influence the development and consolidation of democracy.

Figure 3 captures these three dynamic interchange between the factors that comprise and affect the quality and nature of democratic governance. It makes easier to understand democratic governance and its different components as described by Cheema and Maguire (2002) above.

Figure 3:   The 'what,' 'how' and 'why' of democratic governance
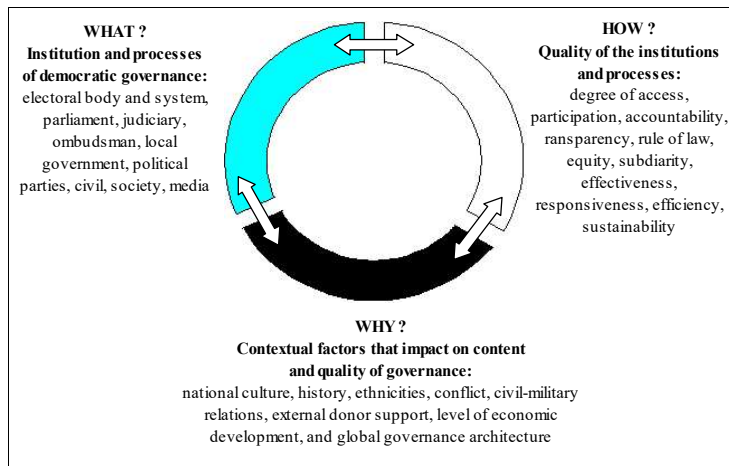
Source: Cheema and Maguire, 2002: 34

Figure 3 shows the following key elements and their inter-linkages between the factors that comprise and affect the quality and nature of democratic governance.

1. What makes up democratic governance? It includes institutions, processes and practices.
2. How is governance democratic? It emphasizes the key principles of democracy as a form of governance.
3. Why does governance become democratic? It includes internal and external factors that influence the development and consolidation of democracy.

Citizen participation and inclusive democracy

There are two dominant opinions in the contemporary literature in favour of direct citizen participation in governance affairs in the context of democratic political environment.

One of the strongest arguments in favour of direct participation of the citizen in governance activities is that it contributes to promoting democracy by making government more responsive in ways far more effective than the traditional form of representative democracy (IDS 2004: 3). Another argument for participation is the citizens' fundamental right. Here the right to participate in governance is seen as a premise rather than a favour provided by the government. It allows citizens to claim further rights and entitlements. In this respect, citizen participation becomes more than a technical fix as it helps effective delivery of public goods and services with more sustainable impacts. Citizens can engage in governance activities directly or indirectly backing the voice of larger population that more likely is excluded in formal political affairs. Thus direct citizen participation in governance promotes a healthy and inclusive democracy in ways far more effective than the traditional forms of representative democracy.

The participation in governance increases the degree of accountability of responsible authorities towards local people. "In several of the countries studied, [...] accountability mechanisms, introduced through law are serving as important vehicles for enhancing representative democracy" (Edwards and Hulme 1995: 8 in McGee et al. 2003: 12). "Ability to demand and exercise accountability implies power. The right to demand and the capacity and willingness to respond to calls for accountability assumes relations of power. Indeed, the very function of accountability is to ensure that those that wield power on behalf of others are answerable for their conduct. [...] these power relations are in a state of flux, reflecting the contested basis of relations between the state, civil society and market actors" (Newell and Bellour 2002: 1 in McGee et al. 2003: 12).

Edwards discusses accountability in relation to particular forms of democracy. "Accountability to a constituency […] is the 'bedrock' of representative democracy, requiring formal procedures like elections to ensure that decisions are fairly reached'. On the other hand, "Voicing an opinion is the bedrock of participatory democracy (we used to call it freedom of speech) and those who speak out do not need to be formally representative of a constituency" (McGee et al. 2003: 12).

Promotion of citizen participation, however, is not achieved in the absence of the necessary policy framework, political freedom and appropriate functional mechanisms in place by which citizens can effectively influence governments to develop responsive policies, and to implement responsive programs and services. "It embodies the idea that citizens can help themselves; that they can articulate their own needs and find the solutions to address them; that they can be active participants rather than mere recipients of development processes; that development works better for them if done bottom-up rather than from the top-down" (IDS 2004: 2).

The role of political parties and civil society in participation and democracy

Political parties and civil society both play vital roles in deepening participation and democracy. Political parties are important vehicles responsible for articulating and aggregating the diverse needs and demands of the society. Political parties compete

for political power and have the ability to directly translate these diverse demands into public policy. In this context, political parties develop positions on a wide range of issues and approach those from an ideological standpoint. Thus, vibrant political parties are the key to effective citizen participation, multi-party system and democratic governance. "[…] political parties are directly involved in the electoral process, the functioning of the legislature, the promotion and protection of human rights, anti-corruption strategies, decentralisation and local governance systems and governance in crisis and post-crisis situations" (Cheema and Maguire 2002: 40-41).

Civil society organisations, which connect individuals with the public realm and the state are the key to democratic governance. They can play vital roles in promoting democracy in many ways. Firstly, these represent different voices, perspectives and values in a pluralist society. Secondly, civil societies can provide checks and balance to government power and monitor social abuses and these can offer opportunities for people to develop their strengths and capacities. Thirdly, civil society organisations are often issue based so that they can act as stimulating forces for positive social change (ibid: 40).

To summarise, it is clear from the above discussion that citizen participation in public affairs is a must to make public sector more effective, efficient, accountable and furthermore, to operationalise the democratisation process in the long-run.

Different modes of citizen participation

Participation can be categorized into broad categories based on the degree of participation (table 3).

Table 3:   Modes of citizen participation

Different modes of participation	Description
Consultation: Starting Point	It involves getting the state to directly listen to citizens' needs and demands. Such listening may be done through various means and mechanisms: consultative meetings, surveys, referenda, or home visits.
Presence and Representation: More intensive form of participation in an institutionalised manner	A slightly more intensive form of participation is to regularize engagements through institutionalised mechanisms. This means citizens have ongoing access to decision-making processes and are able to engage beyond a mere sporadic presentation of needs and concerns. At this point, citizens are able to negotiate with government for better plans, solutions and procedures.
Influence: Citizen's interests reflected in the decisions.	Being consulted and being present there does not necessarily lead to influence. Influence occurs when citizens' demands actually find their way into policies, programmes and service delivery. Influence is visible when government begins to act on such demands and begins producing actual outputs. The challenge for citizens, then, is to remain vigilant so that commitments undertaken by governments are fulfilled and carried out in a transparent manner.

Source: Adapted from IDS, 2004: 6-8

A fairly standard ladder of participation adapted from Arnstein (1969) is presented in figure 4 and distinguishes the intensities of participation.

Figure 4:   Ladder of participation
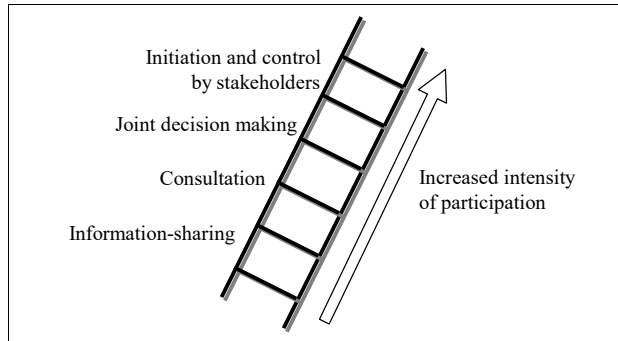
Source: Adapted from Pretty 1995 in McGee, 2003: 11

In all different categories discussed above (matrix and ladder), there are three basic levels or categories of participation – indirect participation (starting point), direct participation (middle level) leading towards joint actions and ownership (highest level).

"In the specific context of citizen participation in processes of policy-making or political decision-making, the basic ladder can be elaborated to show what forms information-sharing, consultation, joint decision-making, and initiation and control by stakeholders might assume in that particular context. Firstly, what is referred to as 'participation' sometimes consists of no more than the provision of information from one actor to others, with the latter referred to as participation and often consists of one actor consulting others on their views without any obligation to incorporate the views expressed. Secondly, the power relations between 'participation' or stake-holders and the politically transformative potential of their interaction differ consid-erably between one level of intensity and another" (McGee et al. 2003: 11).

To summarise, meaningful participation of the citizens can only be ensured when citizens deepen their involvement in the process to the extent that their needs are translated into tangible outputs and outcomes which directly affect their lives.

Enabling and constraining factors of citizen participation

Citizen participation: greater voice and effective responsiveness

For meaningful participation in local governance, it is equally important that there should be an appropriate mechanism that encourages greater voice initiatives on the one hand and effective responsiveness in public institutions on the other. Olowu (2003: 49) prescribes necessary conditions for effective citizen voicing and effective responsiveness of local government (table 4).

Table 4:   Citizen voice and organisational responsiveness

Conditions for effective citizen voice initiatives	Conditions for effective responsiveness of local government
Broad membership base and alliance with middle class elite groups	Internal champions/reform entrepreneurs
Technical knowledge	External pressure
Knowledge of official policy discourses and of effective alternatives	Vertical strategies – commitment of top leadership to reform
Publicity – ability to effectively utilise the media	Incentive systems rewarding participatory processes and client focus
Lots of time and starting from small	Involvement of street-level bureaucrats in policy making and planning of service delivery
Social capital – where trust and mutual support has been built	Involvement of external actors in local monitoring systems
Horizontal coalitions with other bodies	Linking agency income to performance – users fees, bonuses etc.
Formal standing in policy making arenas and in oversight agencies	Investment in attitudinal change
Statutory rights to know and rights to redress	

Source: Olowu, 2003: 49

Citizen participation: enabling and constraining factors from legal perspective

McGee et al. (2003: 62-64) conclude the research carried out in 22 different south and north countries that legal framework, among others, is very critical to promote citizen participation. They describe different enabling and constraining characteristics from the perspective of legal framework (table 5).

Table 5:   Citizen participation - the enabling and constraining characteristics of legal framework

Enabling characteristics of legal framework		Constraining characteristics of legal framework
Promulgated in response to demand from below and with citizen inputs.	⟷	Imposed from above without grounds well of popular demand and overly inspired by prevalent international discourses and tendencies to the neglect of home-grown discourses and in-country or regional aspirations and sources of inspiration.

Enabling characteristics of legal framework		Constraining characteristics of legal framework
Seeks to strengthen and improve institutions of representative democracy by better representation of those with least voice, better quality of representation and performance and by complementing with mechanisms of participatory democracy.	⟷	Seeks only to make the institutions of representative democracy work better and not to challenge these or extend governance relationships beyond them.
Recognizes people and civil society organisations as citizens with rights, including the right to participate in governance and auxiliary rights.	⟷	Treats people and civil society organisations as relatively passive subjects to be engaged with only in non-binding consultations at a relatively late stage of decision-making.
Builds in accountability measures that ensure representatives can be recalled and government actors held to account for poor performance.	⟷	No accountability measures or measures that are impracticable in real life situations.
Provides for or contemplates in future a significant degree of fiscal decentralisation and citizen participation in fiscal processes as both an incentive to citizens to participate in local governance and assurance that local government can allocate resources to participatory processes.	⟷	Centralised power retained over fiscal matters- revenue-raising and allocation-or no participation envisaged in them contradicting spirit of decentralisation and citizen participation and reducing incentives for citizen involvement in local governance.
Law (s) accompanied by set of operational guidelines, policies or capacity strengthening measures to ensure that the relevant actors are enabled to apply them.	⟷	Excessive reliance on laws and on a legalistic approach to the neglect of operational guidelines or the provision of practical support and capacity building for implementation.

Source: McGee et al., 2003: 61-63

Citizen participation: contextual factors

Despite the legislative framework, there are some contextual factors (historic and cultural setting, the nature and background of the actors, etc.) that are critical to the citizen participation. These factors, as McGee et al. (2003: 63-64) note, are summarised in table 6.

Table 6:   Citizen participation - enabling and constraining contextual factors

Enabling features of context		Constraining features of context
Apart from, disposition and commitment from above to participation, a strong demand from citizens and civil society actors from below implies a relatively mature and strong – or strengthening - civil society.	⟷	Weak, immature or inexperienced civil society and government with weak commitment to participation in local governance.
Advanced process of political, administrative and fiscal decentralisation.	⟷	Limited or early-days decentralisation of all kinds or tightly restricted fiscal decentralisation.
Relatively open, trusting relationship between citizens and state.	⟷	State-civil society relations marked by mutual mistrust and lack of familiarity as in the immediate wake of authoritarian regime.
Discourses of participation, governance, decentralisation and democracy locally derived or from elsewhere, strongly appropriated and adapted to national setting.	⟷	Discourses of participation, governance, decentralisation and democracy borrowed wholesale with no attempt to translate and adapt for the national context.
Existence of progressive political parties with their roots in democratization movements and/or social movements and strong commitment to internal representativeness and transparency and to participatory democracy.	⟷	No political parties (as in 'no-party' states) or limited freedom for political opposition parties which tends to favour conservatism and preclude pressure on government for change of a progressive sort.
A culture of 'bureaucratic hygiene', openness and transparency including information disclosure policy and measures of active' disclosure.	⟷	A culture of corruption and/or lack of transparency which generate resistance to opening up governance processes to scrutiny or interference.
Other laws and policies which are supportive of, or at least consistent with participation legislation.	⟷	Contradictions between participation, legislation and other laws and policies or incomplete legislation leading to ambiguities and stalemates in implementation.

Enabling features of context		Constraining features of context
Ongoing momentum for and commitment to movement along the spectrum from elite towards participatory democracy.	⟺	Political transition (e.g. from authoritarian regime to elite democracy) - seen by government and/or civil society as finite process.
Opportunities for experimentation, adaptation and innovation within and outside the spaces provided by legal framework, by state and non-state actors.	⟺	No space for experimentation or innovation through excessively tight and restrictive framework.

Source: McGee et al., 2003: 63-64

Evidently, it is clear from the conceptual discussion outlined above that the notion of the participation concept in governance which is recently being used denotes much wider meaning than the traditional political participation. Participation in governance context means accepting citizen's greater influence in day-to-day governance activities which affect their life directly or indirectly. Therefore, it is much broader and inclusive than the traditionally defined political participation which was limited, in most cases, to voting rights.

Healey prescribes collaborative planning as a tool to promote citizen participation and inclusive democratization process with greater accountability (Healey 1997: 200). Then a question which comes up here is: which type of political or governance system is most favourable to the best involvement of people in governance activities? The following sections discuss these critical issues.

Governance and citizen participation: direct democracy and representative democracy

Different forms of democracy determine their associated sets of actors and their role also differs based on the modalities which has direct implications on the degree of citizen participation and the power sharing. Edwards (2002: 3 in McGee et al. 2003: 13) points out that, "while both direct and participatory democracy and electoral (representative) democracy are needed if politics is to function in the public interest, participatory democracy is the 'natural territory' of NGOs whereas representative democracy is the natural territory of governments. These distinct identifications no doubt partially explain the gradual and hesitant character of progress towards enhancing democracy as a whole, or democratic local governance more specifically, by rendering it more participatory" (McGee et al. 2003: 13).

Contemporary literatures emphasize on direct democracy as the most favourable political system for better citizen participation. In this context, Gross and Kaufmann note: "Direct democracy is in which citizens have the right and opportunity […] to be directly involved in formulating and passing the laws and/or the constitution of their countries" (Gross and Kaufmann 2002: 1 in McGee et al. 2003: 7-8). Further arguments for direct democracy are noted by McGee et al. as they add: "Direct democracy is often considered the purest form of democracy and it is contrasted with representative democracy. Representative democracy offers citizens less con-

trol than other forms. Direct democracy as a whole offers citizens greater control than representative democracy, but certain forms of it offer them other advantages too" (McGee et al. 2003: 8-9). Thus in direct democracy, there are concerns for much wider involvement of the citizens in decision-making through different mechanisms than other forms of democratic system.

Bucek and Smith give another set of arguments for citizen participation by differentiating direct democracy from participatory democracy. They emphasize participatory democracy and note, "Participatory democracy can be differentiated from direct democracy in terms of outcome and also in terms of their representative roles in decision-making. Participatory democracy denotes contexts of direct democracy where mechanisms for political participation are used to provide possibilities for the enrichment of local political and administrative life as well as for improvements in the responsiveness of public service to the needs of citizen" (Bucek and Smith 2000: 15 in McGee et al. 2003: 8-9).

McGee et al. also agree that participatory democratic forms involve citizens in decision-making and deliberation processes although they do not usually lead to formal and final decisions. They argue that participatory democracy is better than representative democracy in revealing people's preferences (McGee et al. 2003: 8-9). Edwards describes that both forms are to be complemented for effective participation. He notes: "Neither approach, however, is desirable in its pure form without elements of the other: without sustained public pressure (as in participatory democracy), governments rarely fulfil the promises they make on election day. But without election, it is difficult to reconcile the different interests and agendas that exist in civil society" (Edwards 2002: 3 in McGee et al. 2003: 9).

McGee et al. (2003) lay further emphasis on participatory democracy that has particular resonance in southern countries. They note: "It includes those countries where formally 'representative' democratic systems have co-existed with extreme inequality and deprivation, rests on the charge that in inequitable societies representative systems will inevitably reproduce social, economic and political inequities in terms of who can engage with and influence decision-making." It has been argued that the problem with representative democracy is not so much that it restricts citizen involvement to vote, but that "the opportunities it creates for more extensive involvement and influence over decision-making are dependent upon a variety of resources, most notably time, money and education that are distributed unevenly between different sections of the population. In this way, the freedoms of speech and association may expand political activity beyond the vote, but at the same time these practices are also the means whereby the inequalities of civil society are transmitted to the political domain" (Beetham 1992 in Abrahamsen 2000: 75 in McGee et al. 2003: 9).

Cornwall and Gaventa (2001: 32 in McGee et al. 2003: 10) argue that such inequalities can be minimized through the participatory and deliberative process by focusing on poor people exercising their voice through inclusion, consultation and/or mobilization. Similarly, Fung and Wright argue for empowered participatory democracy and emphasize redesigning and redefining of democratic institutions "to incorporate innovations that elicit the energy and influence of ordinary people, often drawn from the lowest strata of society in the solution of problems that plague them" (Fung and Wright 2001: 6-7 in McGee et al. 2003: 10).

McGee et al. describe the concept of deliberation as a mechanism that enriches participatory democracy. Fung and Wright (2001: 6-7 in McGee et al. 2003: 10) define deliberation as the instituting of 'reason-based decision-making'. McGee et al. note: "The promotion of deliberation arises from concerns both with citizen's right to participate and with what democracy can do for people as well as what people can do for democracy: deliberative democracy emphasizes eliciting broad public participation in a process which provides citizen an opportunity to consider the issues, weigh alternatives, and express a judgement about which policy or candidate is preferred" (McGee et al. 2003: 10). "While participatory, empowered and deliberative democracies are evermore current terms in political science and governance debates, yet they are but aspirations. No country can claim to have instated fully participatory democracy. Most are starting from a representative democratic system and have begun to introduce modifications to this system which render it more participatory without discarding all its fundamentals" (ibid: 10).

Participation: from political science to development management

Participation is not only a term that relates to political science, but also a hotly contested term in development discourse in many respects. "It is increasingly recognized that the term encapsulates a wide range of approaches from methodological tools to political philosophies" (Cornwall 2001, Gaventa 2001, Gaventa and Valderrama 1999 in McGee et al. 2003: 11). The term 'participation' has been increasingly used to refer to a large range of social and political interactions (McGee et al. 2003: 11).

Molutsi (2002: 50) argues: "Strengthening democratic institutions and fostering a participatory approach to governance are seen by many development practitioners as important tools to promote social and economic development and to enable a country to manage emerging global, national and local issues. In this context, the importance of promoting dialogue and partnerships between government, the private sector and civil society is gaining growing consensus."

The political development in recent decades shows that democracy is the best form of government and that has been almost universally accepted. Many governments in developing countries have crafted and adopted some of the world's best constitutions. The growing challenge now, however, is how to translate the constitutional provisions into institutional and legal frameworks. More importantly, the growing challenge is to translate public declarations into democratic culture and practice (Molutsi 2002: 50). However, Austin (1994: 4 in Molutsi 2002: 54) arguing from different front says: "the danger, therefore, is to expect too much of what might be called political or constitutional engineering since, in reality, the success of democratic institutions has been organic not mechanical." McGee et al. (2003: 7) argues that most opportunities for citizen participation in local governance arise in the contexts of democratic decentralisation. In this context, decentralisation is a strong political strategy to translate the public declarations into reality.

Participation in non-institutionalized democracies

As discussed above almost all writers who advocate citizen participation present the notion of concept in a noble form; however, it is not that simple, in practice particularly in a young democracy. Citizen participation in practice is determined by many critical factors associated directly with power. Therefore, true participation does not

take place easily in reality as presented above in an idealistic manner. The following key aspects influence the level of participation.

1. A political system that allows democratic practices and existence of democratic institutions closer to people is critical factors for sharing of power and effective participation. Decentralisation of power, which most likely be absorbed by intermediate level of government or by powerful stakeholders while trickling down to the grassroots level.

2. Historical factors, social norms and values, level of consciousness of democratic rights are very influential in participation. Socio-economic conditions also matter for effective participation because they imply unequal power relations that directly impede the capacity to engage in public life.

Heller and Chaudhari (2002: 2) caution: "Any theory of participation in non-institutionalized democracies must as such explicitly take into account unequal social relations and uneven institutional environments as a cost of participation."

Democracy is a long-term affair. "Democracy grew up historically out of a century-long struggle among social groups and between state authorities and their subjects" (Skocpol 1999: 14 in Heller and Chaudhari 2002: 4). Participation in democracy is a process of shifting the balance of power from the centre to closer to the citizen. Planning and development at local level are key governance activities that take place in political, social, and economic contexts and demand involving a wider range of stakeholders and influencing social as well as political power relations. Effective participatory process is possible only when power is shared at different levels and among different stakeholders. In this context, effective decentralisation, as a strategy of sharing power at different levels and stakeholders, plays an important role in broadening citizen's participation in political, economic and social realms at the local level. It offers diverse opportunities to participate in governance practices in addition to the formal electoral process. Thus, the concept of participation is closely linked to this study, and therefore discussed in detail in this chapter (see chapter 2.11 for details).

2.4 Civil society and social capital

The capacity of community organizations or social groups to act in good faith with a sense of responsibility for their own well-being is commonly referred to as social capital in the contemporary literature. The most cited reference for social capital is Putnam et al. (1993). They presented the sociologist-political science interpretation of social capital based on an Italian case study. Rapidly, it gained popularity as an emerging concept associated with rights-based approach of participation, empowerment and inclusionary democracy. Other advocates of the concept are Friedmann (1992 and 1996), Healey (1998) and Fung (2004).

Fundamental principles of social capital and planning

The following four fundamental principles of social capital are commonly agreed on by the contemporary writers which bring empowerment as the common outcome of all these principles.

1. Trust – mutual trust both in face-to-face relationships and in institutions.
2. Mutual agreement on rules and sanctions.

3. Reciprocity and exchange as basis of any nurturing social relationship.
4. Linkages or network amongst social or community organizations.

Rondinelli (2002: 207-208) refers to social capital in the globalization context: "While globalization facilitates the development of civil society organisations, promoting a robust network of social and civic institutions – commonly referred to as 'social capital' – seems to be essential in most countries for the effective operation of markets, national competitiveness and economic growth. Social capital has powerful consequences because civic networks and norms ease the dilemmas of collective action by institutionalizing social interaction and reducing opportunism by fostering norms of social reciprocity and social trust and by facilitating political and economic transactions. Well-developed networks of civil institutions also amplify the flows of information and help transmit knowledge of people's reputation that lower economic and social transaction costs. They offer channels for reliable political, economic and social collaboration."

Rondinelli (2002) further explains the importance of civil society and says: "Institutions of civil society can make powerful contributions to life support systems, especially in countries where civil networks are not encouraged and social capital are allowed to decay. Civic organisations can help offset or mitigate the adverse effects of market weakness and market failures. Institutions of civil society also play crucial roles in providing functions and services that the market cannot offer. They have especially strong impacts on economic, political and social development when they work in cooperation with each other, the government and the private sector" (ibid: 208). The idea of social capital broadens the focus of human capital on individuals to explore the importance of their interrelationships with each other (Blunt 2002: 250).

Social capital describes trust, social networks, formal and informal relations in society. Fukuyama (1999 in Blunt 2002) argues that "social capital can be defined simply as a set of informal values or norms shared among members of a group that permits cooperation among them", but warns that the sharing of values and norms does not automatically produce social capital.

Fung (2004: 119-120) presents that Putnam has developed "the most prominent and articulated contemporary version of social capital." In his study of Italian regional governments, Putnam argues that the performance of democratic institutions largely depends on social capital. He further argues about: "the extent to which citizens participate in horizontal networks of associations and other social relationships." In his view, the mechanism that connects social capital with democratic performance is what he calls 'generalized reciprocity' (Putnam 2000 in Fung 2004: 119-120).

"Generalized reciprocity contributes to democratic governance in two ways. First, citizens will comply with the requirements of democratic government more often, make sure that others comply, and so help solve pervasive free-rider problems: 'people who trust their fellow citizens […] serve more readily on juries, […] comply more fully with their tax obligations […] are less likely to lie, cheat, or steal, and are more likely to respect the rights of others" (Putnam 2000: 136-137 in Fung 2004: 120). Second, generalized reciprocity enables citizens in part because they can overcome free-rider problems to demand accountability from governments and to sanction them when they fail to perform" (Putnam 1993: 182, Levi 1996 in Fung 2004: 120).

Proponents of social capital thesis have generally argued for the following elements (Fung 2004: 120).

1. Greater stocks of social capital,
2. Increase the quality of democratic governance,
3. Some sets of democratic political institutions

Trust is the overarching principle of forming and mobilizing social capital. "But trust can only be embedded through the observable response of 'unobserved cooperation.' Such cooperation has to be anarchic, i.e. unsupervised and unregulated." Social inclusion is critical to effective social mobilization. Inclusionary approach is a process which never ends but requires constant effort (O'Riordan 1999: 5).

Social mobilization and planning

Collective action is a primacy of social mobilization, which comes from the bottom. In this term, the participatory planning approach is closer to the social mobilization concept.

Friedmann (1996: 26) says that "social mobilization departs from all other planning traditions." He argues: "It stands in stark contrast to the traditions of social reform and policy analysis, which address the role of the state and look toward a 'scientific politics.' In the social mobilization tradition, planning appears as a form of politics, conducted without the mediations of 'science.' Nevertheless, scientific analysis, particularly in the form of social learning, plays an important role in the transformative processes sought by social mobilization" (Friedmann 1996: 26).

2.5   Decentralisation: an overarching strategy

Although it is almost a replication of ideas referred to earlier, the following paragraphs aptly summarise the definition of decentralisation.

Decentralisation: developing a common understanding

There is no uniform taxonomy of decentralisation. The term 'decentralisation' embraces a variety of concepts and understanding in a context-specific manner. Decentralisation, in simple terms, is a strategy through which decision-making power, responsibility and financial means are devolved to the lower level, preferably near to the citizens. These (authority, responsibility, financial means) can be devolved to regional and/or local governments and/or quasi-independent government organisations and/or the private sector. It is a complex multifaceted concept and a political strategy. Decentralisation is a strategy, but not an end and it is a highly political-dependent process.

Decentralisation has been defined by Conyers (1990 in Nierras et al. 2002: 15 in McGee et al. 2003: 7) as "the transfer of power and/or authority to plan, make decisions and /or manage public functions from a higher level of government to a lower one." In this context, local governments are to be "democratically elected and wholly or largely independent of central government, it may be referred to as democratic decentralisation" (Manor 1997 Nierras et al. 2002: 5 in McGee et al. 2003: 7).

Ouedraogo (2003) refers to two different meanings of decentralisation in Anglo-Saxon tradition and French tradition. "In Anglo-Saxon tradition, decentralisation

means a broad political process consisting of 'devolution of resources and powers of the central state to local or private decision-making bodies'" (Ribot 1999 in Ouedraogo 2003: 98). In this view, the local players are local state institutions, communities, NGOs, cooperatives, associations and the private sector. French tradition, on the other hand, has a more legalistic understanding of decentralisation: 'state recognition of the existence of autonomous local governments endowed with specific competencies and managed by autonomous bodies (Kiemde 2001 in Ouedraogo 2003: 98). Understood in this way, decentralisation means recognizing the state and only involves governmental players at the local level (local government, public enterprise, etc.)" (Ouedraogo 2003: 98).

Smoke presents decentralisation as an ambiguous concept which refers both to a system and to a process. He notes: "As a system, decentralisation means a decentralised system of government […] in which a substantial share of power is granted to local, provincial or regional government. As a process, decentralisation means the process by which one moves from a centralised to a decentralised system of government" (Smoke 2003: 17).

Inferentially, decentralisation is a comprehensive state strategy of bringing decision-making power from the centre or region to a position closer to the citizen. In the context of developing countries, the notion of decentralisation is to improve the political and administrative set up and increase the effectiveness and efficiency of governance system. It is a long-term political process which passes through a series of political and administrative resistance and barriers. Hence it takes longer time to stabilize, to be fully functional and become effective.

Rationale and driving forces of decentralisation

This chapter discusses central question 'Why to decentralise?' from administrative, political, social and economic perspectives.

Decentralisation: means bringing administrative efficiency and welfare

Decentralisation is a key word that refers to multiple meanings and creates multiple effects. Decentralisation creates two immediate effects at the local level. Firstly, increased decentralisation of decision-making authorities accelerates the democratization process at local level by involving key stakeholders (including the local people) in governance system. This makes the local leaders more accountable to the local people. Secondly, in a decentralised system, discussion and decisions take place in the middle of reality so that practical solutions could be determined in a very context-specific manner. Thirdly, it offers more influential power to the individual citizens to bring decision into their favour or community's benefits. Fourthly, it enhances effectiveness and efficiency in the delivery of public goods and services. Decentralisation is a democratic process that opens the door for alternative ideas and locally crafted practical solutions, it increase effectiveness and efficiency in public affairs by satisfying a wider range of stakeholders. It also helps improve the administrative bottlenecks in decision-making that are often caused by central government's control.

"In some countries, decentralisation may create a geographical focus at the local level for coordinating national, state, provincial, district, and local programs more effectively and can provide better opportunities for participation by local residents in

decision-making. Decentralisation may lead to more creative, innovative and responsive programs by allowing local 'experimentation.' It can also increase political stability and national unity by allowing citizens to better control public programs at the local level" (WB 2004).

Institutionalists tend to regard the state as a benign and rational actor, responsive to political pressure. In this sense, they stand very much in the tradition of Auguste Comte, who thought that social scientists should offer their knowledge to the rules of nations (ibid).

Decentralisation from equality perspective

Decentralisation is not only a political and administrative strategy, but also a welfare strategy. It ensures welfare of citizens by ensuring the best possible adaptation to local needs and realities raising greater interests of local stakeholders recognizing as active development partners, not as passive recipients. Where decentralisation works effectively, it helps alleviate poverty and ensures equality.

Since in a centralised system of government all decisions are made at the central government, there is a significant difference between the central government and country's diverse realities. Central government often only provides a standard set of public goods and services across the entire national territory, which may not address the crux of the local problem. Thus, central governments are not able to respond to variations in preferences grounded in multiple conditions and realities. Furthermore, "highly centralised governance can result in a situation in which the central government will accommodate the public service needs of the capital city (where the central government officials reside), but fail to provide substantial public services outside the large urban areas" (Boex 2001: 1). Alternatively, "decentralisation can help national government ministries reach larger numbers of local areas with services; allow greater political representation for diverse political, ethnic, religious, and cultural groups in decision-making; and relieve top managers in central ministries of "routine" tasks to concentrate on policy" (WB 2004).

Decentralisation as democratization process: the political perspective

The internal and external contexts drive the political process towards decentralisation. Politically, emerging aspirations of people towards more local autonomy and self-governance as a part of democratization process lead to political decentralisation. Geographical, ecological and cultural diversities, administrative failure and poor accessibility are other elements of internal context that lead to decentralisation. External context as a driving force for decentralisation includes wide-spread effects of globalization, democratization and human rights movements. External force is effective through different means, including bilateral and multilateral donors' interests, their conditionality and expanding communication networks.

Cheema and Maguire note: "In recognition of the role of decentralisation in people-centred development and promotion of the values of democracy and good governance, there is a global trend towards decentralisation of power and responsibilities from the centre to regions, and local governments" (Cheema and Maguire 2002: 37).

Ebel (2002: 2) outlines the origin of decentralisation in different categories of countries which are summarised in table 7.

Table 7:   Origin of decentralisation as driving forces

Region	The origin of decentralisation
Developed countries	- to reorganise the government in order to provide public goods and services cost effectively in the "post-welfare state" era.
Developing countries	- to escape from the traps of ineffective and inefficient governance, - to maintain macro-economic instability and inadequate economic growth, - to address political pressure from the people for democratization, - to address the advocacy of donors
Transitional countries	- to transform from socialist system to market economy and democracy

Source: Adapted from Ebel, 2002: 2

Evidently, the pursuit of decentralisation is globally widespread, both in the north and south. However, underlining causes or driving forces of decentralisation largely vary owing to the political and socio-economic context of the particular country. Furthermore, in the case of developing and transitional countries, donors are also one of the driving forces and key players of decentralisation, in addition to the driving force described by Ebel.

The UN (2002) and the World Bank (2004) justify decentralisation from both administrative as well as political perspectives although efficiency is associated with it. "Although politics is the driving force behind decentralisation in most countries, fortunately, decentralisation may be one of those instances where good politics and good economics may serve the same end. The political objectives to increase political responsiveness and participation at the local level can coincide with the economic objectives of better decisions about the use of public resources and increased willingness to pay for local services" (WB 2004).

Evidences show that most of the decentralisation processes which have taken place in the past decade have been motivated by political concerns towards democratization. For example, "in Latin America, decentralisation has been an essential part of the democratization process as discredited autocratic central regimes are replaced by elected governments operating under new constitutions. In Africa, the spread of multi-party political systems is creating demand for more local voice in decision-making. In some countries such as Ethiopia, decentralisation has been a response to pressures from regional or ethnic groups for more control or participation in the political process. In fact, decentralisation represents a desperate attempt to keep the country together in the face of these pressures by granting more autonomy to all localities or by forging 'asymmetrical federations'" (IDS 2005).

In some African countries, decentralisation took place as an outcome of long civil wars, (e.g. Mozambique and Uganda). In these countries, decentralisation opened political opportunities and promoted greater participation of wider range of stakeholders including former warring factions in the local governance system. "The

transition economies of the former socialist states have also massively decentralised as the old central apparatus crumbled. In many countries, decentralisation simply has happened in the absence of any meaningful alternative governance structure to provide local government services. In some cases (particularly in East Asia) decentralisation appears to be motivated by the need to improve service delivery to large populations and the recognition of the limitations of central administration" (ibid: 2005).

"By bringing the elected government closer to the citizenry, decentralisation allows the community to participate more in local affairs, gain experience in democratic practice and hold local leaders increasingly accountable for decisions affecting their lives. With decentralisation, local decisions can be tailored to local needs to improve service delivery and thereby increase the legitimacy of the democratic system" (ibid: 2005).

"Smith, a prolific writer on decentralisation, describes the following as benefits of decentralisation**"** (1985 in Turner and Hulme 1997 in IDS 2004: 18):

1. Political education of the masses in terms of their role in political debate in electing political representatives and customizing the policies, plans and budgets.
2. Training for political leadership in creating a seedbed for political prospective. This helps leaders to develop skills in policy-making and shaping party politics in a more democratic manner.
3. Wider participation in formal politics secures political stability. Political activities like voting and actively supporting a political party strengthen trust and legitimacy in government which help create social harmony.
4. Political equality from greater political participation, reducing the likelihood of the concentration of power and broadening its distribution to poor and marginalised groups in the society.
5. Decentralisation helps enhance the degree of accountability of political representatives at the local level. It is easy to assure because local leaders are more accessible to the local people. For example, voting at local elections is a unique mechanism to express their satisfaction or dissatisfaction in relation to the performance of their representatives.
6. Responsiveness of government can be improved because local representatives are best placed to know the exact nature of local needs and how they can be met in an effective and efficient manner.

Decentralisation and devolution: political power makes the difference

Decentralisation and devolution are two words which are often understood and treated as equivalent of each other in many contexts. It is, however, important to distinguish the differences between them. While decentralisation can be defined as the relocation of administrative functions away from a central location, devolution is defined as the relocation of power away from a central location. Of course, the term devolution is more politically charged than decentralisation in generic terms. In this sense, power can be equated with the capacity or authority to contribute to decision-making. While decentralisation and devolution may occur at the same time, it is quite possible to decentralise administrative functions without devolving the power to make meaningful decisions.

There are important distinctions to be made between different forms of decentralisation. A traditionally defined category of decentralisation is described below, which can take into four forms:

1. *De-concentration of functions* is a process of shifting decision-making power from the central government departments to local level. However, it is shifted "within the central government structure: from central government officials in the capital to central government officials that are located outside the capital, at the regional or local level. Thus, in essence, in the de-concentration system all decision-making authority remains within the central government structure" (Boex 2001: 1).

2. *Delegation of authority* is the process of shifting responsibilities to semi-autonomous government bodies or third party organisations to perform specific functions. In this model, the central government does not entirely control but such bodies or organisations are ultimately fully accountable to the central government.

3. *Devolution of power and resources* to local governments: "It is a process of shifting responsibilities for government functions and expenditures from the central government to sub-national (regional and/or local) governments in which sub-national governments are granted substantive decision-making authority" (ibid: 12).

4. *Transfer of functions* refers to the process of transferring specific government functions to NGOs and/or the private sector players.

These general categories have also been described in a variety of contemporary literatures. The different forms of decentralisation are summarised in table 8.

Table 8:   Forms of decentralisation

	Decentralisation	**Delegation**	**Devolution**	**Privatization**
Organising principle	Bureaucratic decentralisation	Functional decentralisation	Political decentralisation	Transfer of public functions
Structure in which the principle demonstrate	Field administration, local administration	Functional authorities, public corporations, area development authorities	Local government, municipal administration	Voluntary associations, cooperatives, unions, parties
Practice	Deconcentration of administrative authority	Delegation of decision-making authority	Devolution of powers	Privatization of public functions

Source: Poppe in Jenssen (ed.), 1998: 48

The World Bank (2004) explains decentralisation dividing it into four categories - political, administrative, fiscal and market decentralisation. Nevertheless, there are

similarities in the basic categories even as there is a clear overlap between different forms of decentralisation.

Boex (2004: 8) described decentralisation in three different categorizes with their basic components (table 9).

Table 9: Types of decentralisation and basic components

Types of decentralisation	Basic components
Political decentralisation	- Structure and scope of public sector - Political and electoral mechanism - Role of civil society in governance
Administrative decentralisation	- Control over local civil service - Local regulatory framework - Sub-national financial management
Fiscal decentralisation	- Expenditure responsibilities - Revenue assignments - Intergovernmental fiscal transfer - Sub-national debt and borrowing

Source: Boex, 2004: 7

Among the categories of decentralisation described above, the political and fiscal decentralisation are closely related to this study. These are discussed in detail in the following chapters.

Political decentralisation and democratic local governance

Political decentralisation refers to the transfer of policy-making and legislative powers from central government to autonomous sub-national assemblies and local councils that have been democratically elected by their respective constituencies. Cheema (Cheema 1983: 22 in Meshack 1992: 26) notes the difference: "This is another form of decentralisation which has the purpose of creating or strengthening independent levels or units of government through the central government relinquishing certain functions or creating new units of government, that are outside its control."

Political decentralisation aims at giving elected representatives more decision-making power. It can also support the democratization process by giving general citizens, or their representatives, more influence in the formulation and implementation of policies. Political decentralisation encourages public decisions to be made with greater participation. Consequently, well-informed participation increases the degree of relevance in decisions to address the diverse interests of the society rather than decisions made at central level.

Political decentralisation is often associated with pluralistic politics and representative government systems and thus often requires constitutional or statutory reforms, the development of pluralistic political parties, the strengthening of legislatures, creation of local political units and the encouragement of effective public

interest groups (WB 2004). Political decentralisation leads to establishing local governance systems that enable local governments to involve key partners including civil society organisations and private sector in governance related activities. Simultaneously, communities and their organisations are empowered to become equal partners in local governance and development process.

Meshack (1992: 26) describes the following as fundamental characteristics of political decentralisation.

1. Local units are autonomous, independent and clearly perceived as separate levels of government over which the central authorities exercise little control.
2. Local governments are clear and legally recognised geographical boundaries within which they exercise authority and perform public functions.
3. Local governments have corporate status and the power to secure resources to perform their functions.
4. Local governments should develop to be perceived by the local citizens as organisations providing services that satisfy their needs and as government units over which they have some influence.
5. There exists an arrangement which allows for reciprocal, mutually beneficial and coordinated relationships between central and local government.

Many contemporary literatures emphasize the autonomy of regional or local governments. Unnecessary interference needs to be prevented, but full autonomy of regional or local government is not easy in practice and might turn out to be counterproductive. Subsidiarity principle also recognizes roles of different levels of government. Therefore, inter-dependency, rather than full autonomy is critical for effective functioning of multi-level government.

Political decentralisation strengthens the capacity and degree of legitimacy of local governments with its basic features of ensuring greater participation of stakeholders. McLean (2002) notes the following as necessary conditions for political decentralisation.

– Sub-national governments democratically elected at fixed intervals (e.g. every 5 years); cannot be arbitrarily formed or disbanded (e.g. as allowed under 73rd/74th Constitutional Amendments in India),
– Clearly defined jurisdictions within which local governments can "legislate" and provide services,
– Clearly delegated powers and functions of local governments,
– Legal, political, and functional space.

The design principles of decentralisation: the subsidiarity principle

The broad objective underlying decentralisation is to bring government closer to people with a view to empowering them and to making service delivery effective and efficient. It demands these fundamental elements be kept in mind while designing any decentralisation policy. The overarching principle in determining which level of government has to perform what kind of task in a decentralised system of government is best determined by the principle of subsidiarity.

Subsidiarity principle

In practical terms, the subsidiarity principle comes handy in recognizing the appropriate level of management and bringing responsibilities, authorities and resources to that level. Lowest possible level and near to the general citizen is considered better so that decisions are taken close to where the problems arise. "This principle suggests that government services should be provided at the lowest level of government that is capable of efficiently providing the same. This principle results in a situation where, as much as possible, the area where the benefits of a government service are felt coincides with the government boundaries at each level of government" (Boex 2001: 4).

The subsidiarity principle suggests that three types of functions are best performed or funded by central government. They are:
1. Provision of public goods and services that benefit the entire nation,
2. Income redistribution or equity, social aid and policies, and
3. Government activities that involve spill-over or 'externalities' between districts.

The principle of subsidiarity is the overarching principle to determine functions to be decentralised. It is very clear, however, that 'capacity' always comes into controversy in deciding the functions to decentralise. The World Bank (2004) proposes the following design principles to be observed for successful decentralisation. These are:
– Clear assignment of functions supported by financial means,
– Informed decision-making,
– Adherence to local priorities,
– Accountability.

The World Bank (2004) describes the following five conditions as equally important for successful decentralisation:
1. The decentralisation framework must link, at the margin, local financing and fiscal authority to the service provision responsibilities and functions of the local government so that local politicians can bear the costs of their decisions and deliver on their promises.
2. The local community must be informed about the costs of services and service delivery options involved and the resource envelope and its sources so that the decisions they make are meaningful.
3. There must be a mechanism by which the community can express its preferences in a way that is binding on the politicians so that there is a credible incentive for people to participate.
4. There must be a system of accountability that relies on public and transparent information which enables the community to effectively monitor the performance of the local government and react appropriately to that performance so that politicians and local officials have an incentive to be responsive.
5. The instruments of decentralisation – the legal and institutional framework, the structure of service delivery responsibilities and the intergovernmental fiscal system – are designed to support the political objectives.

In addition to the above conditions, public control on budget formulation is a very important aspect in designing decentralisation policy and establishing institutional mechanism.

Smoke (2003) refers to a variety of tradeoffs involved in designing decentralisation and says decentralisation "must be tailored according to the priority goals and circumstances of each country" (Smoke 2003: 26). Some political, social and economic aspects must be carefully analysed first before designing any decentralisation policy instrument or establishing any decentralised mechanism. Political, financial, administrative, or service delivery systems come as basic ingredients of decentralisation, which means these have to be analysed properly to understand the status of decentralisation. In addition, specific context and different types of decentralisation should be distinguished because they have different characteristics, policy implications, and conditions for success (WB 2004).

Decentralisation from implementation perspectives in developing countries

Putting the decentralisation principles into practice is not simple. Country-specific context shapes the policy and institutional instruments. Rondinelli (2002: 509-510) says: "Most governments in developing countries decentralize through deconcentration or delegation. [...] Through delegation, central government transfer responsibility for decision-making and administration of public functions such as education or health services to semi-autonomous organisations not wholly controlled by the central government, but ultimately accountable to it" (Rondinelli 2002: 509-510).

The World Bank cautions when it comes to compare the effects of decentralisation. It emphasizes the type of decentralisation and is dependent on its design, which further depends on the country-specific political structure and administrative issues. Consequently, the impact of decentralisation will also differ depending on what type of decentralisation is taking place and what the objectives of decentralisation are. "It is important to introduce consistency in any discussion of decentralisation to avoid "comparing apples and oranges" and to ensure that we can draw lessons where applicable" (WB 2004).

2.6 Fiscal decentralisation: concept and relevance

Specifically speaking, the fiscal decentralisation deals with how the government is organised at different levels and how they are financed to carry out their functions. In other words, fiscal decentralisation is understood as inter-governmental fiscal relations that study how different levels of government act and interact with each other on fiscal issues with reference to their functions and responsibilities.

Meanwhile the 1990s saw reforms cutting across local government as the most widespread trend. In this context, fiscal decentralisation has emerged as a focus of public sector reform in many developing countries. This suggests fiscal decentralisation is an integral part of the overall decentralisation bandwagon. It has been evolving more and more as a strategy to sustain political decentralisation when most of the decentralisation schemes in developing countries fail to match decentralised functions to the financial capacity. Conversely, it is a strategy to solve the burning decentralisation problem: 'mandates without funds.'

The arguments for fiscal decentralisation are not different from decentralisation itself but rather a support to the arguments surrounding decentralisation. Fiscal

decentralisation is justified from the perspective of efficiency. However, there are no uniform practices in managing central and decentralised functions. The government sector is highly centralised in small developed countries (such as the Netherlands) as well as in many formally socialist transition countries (such as Ukraine) and developing economies like Malawi (Boex 2001: 1). Boex further highlights the problem: "voter preferences are not as readily translated into budget outcomes as in industrial countries" and "where allocation of local resources are often severely constrained by central government controls" in developing and transitional countries (ibid: 8).

Pre-condition for fiscal decentralisation

Fiscal decentralisation is a process of devolving fiscal decision-making powers and management responsibilities to local levels of government. The most important prerequisite for fiscal decentralisation is a devolved governmental system. The devolved governmental system implicitly assumes that local governments have a certain degree of fiscal discretion and autonomy and that local governments are primarily accountable to their local constituents. It is important to note here that deconcentration and delegation both make the local level accountable to the centre in spite of being accountable to the local populace that they serve (ibid: 2). "Thus, an important pre-condition of fiscal decentralisation is political decentralisation. Political decentralisation aims to decentralize political power by establishing semi-autonomous subnational government bodies that have a corporate character (they should be able to hold property, generate revenue and incur expenditures) and that are politically accountable to the local electorate" (ibid: 2).

McLean (2002) also has similar opinion and notes: "Financial responsibility is one of the core components of political decentralisation. If local governments and private organisations are to carry out decentralised functions effectively, they must have an adequate level of revenues – either raised locally or transferred from the central government – as well as the authority to make decisions about expenditures."

The applicability of fiscal decentralisation

Boex (2001: 2) argues: "Fiscal decentralisation is relevant to all countries, regardless of whether they are unitary countries, federal countries or confederations. Of course, the political and legislative context varies within each of these groups. In a unitary country, all sub-national governments are subordinate to the central government while the central government has absolute authority over sub-national governments in an unitary state even as the sub-national government exists solely at the discretion of the central government. In federal countries, the federal constitution defines the power relationship between the different levels of government." Boex further claims that fiscal decentralisation is becoming an important reform agenda not only in large countries (like Russia and Indonesia), but also in small countries (like Latvia, Malawi and Surinam) as well as in developed countries.

This suggests that fiscal decentralisation is one of the important issues in developed, developing and transitional economies. However, the effect of fiscal decentralisation varies greatly with the country specific context, political system and intended objectives.

The four pillars of fiscal decentralisation

There are four key elements of fiscal decentralisation usually called 'four pillars' or 'building blocks' of fiscal decentralisation' (ibid: 3). See table 10.

Table 10:   **Four pillars of fiscal decentralisation**

Building blocks or pillars	Assessment criteria
Expenditure responsibilities	The assignment of expenditure responsibilities: what are the functions and expenditure responsibilities of each level of government are assessed under this pillar.
Revenue assignments	Assignment of tax sources: once sub-national governments are assigned certain expenditure responsibilities, which tax or non-tax revenue sources will be made available to sub-national governments in order to provide them with resources.
Inter-governmental fiscal transfers	Intergovernmental fiscal transfers: in addition to assigning revenue sources, central government may provide regional and local governments with additional resources through a system of intergovernmental fiscal transfers or grants.
Sub-national borrowing	Sub-national deficits, borrowing and debt: if sub-national governments do not carefully balance their annual expenditures with revenues and transfers, this will result in sub-national deficits and the incurrence of debt. Since this would have important ramifications for national macroeconomic conditions, central government often require sub-national governments to balance their budgets or tightly regulate their ability to hold debt.

Source: Boex, 2001: 3

Expenditure responsibilities

The principle of subsidiarity is applicable in determining the level of task or functions and expenditure responsibilities as described earlier. "It is important to recognize that the assignment of expenditure responsibility actually has a multi-dimensional component: expenditure responsibility is often broken down into the responsibility to provide, finance, and regulate a certain government function" (Boex 2001: 4).

Revenue assignments

Once the expenditure responsibilities are determined, then the second key question which crops up is: who gets what resources to perform expenditure responsibilities? Obviously, the fundamental determinant of the revenue assignment is the expenditure responsibilities. It is important that the finance should follow functions. It is also important to consider which revenue sources are suitable to subnational or local government to fulfil their expenditure responsibilities. For example, some taxes are

better suited to assign for local government, while others are better for national government. Thus it is important that the local taxes that are assigned to local or subnational government should be easy to administer and should not conflict with the jurisdictions. In addition to this, Boex (2001: 4) recommends: "it is preferable if local taxes are related somehow to benefits received by local residents." He also recommends giving some degree of revenue discretion in order to get full benefit out of fiscal decentralisation reforms. Ironically, "central governments often seem unwilling to provide any degree of real revenue autonomy to subnational governments. In these cases, inter-governmental fiscal transfers become necessary to ensure that sub-national government have adequate revenues to fulfil their expenditure responsibilities" (ibid: 5).

Inter-governmental fiscal transfer

This is often considered the third pillar of fiscal decentralisation or intergovernmental fiscal relations. It constitutes "the cornerstone of sub-national government financing in most developing and transition countries" (Bahl et al. 2001: 1). Since many local governments are highly dependent on the central level in most developing countries, inter-government transfer becomes important element of fiscal decentralisation in these countries.

The term 'transfer' refers to a number of different public financing instruments including grants, subsidies, and sharing of tax revenues between central and local governments (Shrestha 2002a: 2). The contemporary literatures on public finance suggest that there are three main economic rationales for intergovernmental transfers. They are (Shrestha 2002a: 2-3):

–   To close the fiscal gap arising out of mismatch between expenditure responsibilities and revenue assignments to sub-national governments,
–   To address the variations in fiscal capacity or expenditure needs among jurisdictions,
–   To stimulate local government spending on services that generates significant externalities.

Transfer can also be used for encouraging specific activities of national priority at sub-national or local level and to stimulate local tax efforts. Theoretically, the transfer system should neither encourage nor discourage tax efforts of sub-national or local governments. (Martinex -Vazquez et al. in Shrestha 2002a: 3-4).

Bahl et al. (2001) outlined the following generally accepted rationales of inter-governmental fiscal transfers:

1.   Improving the vertical balance of the system of inter-governmental relations.
2.   Improving the horizontal fiscal balance of the system of inter-governmental relations (in other words equalization)
3.   Compensating for the presence of spillover or 'externalities' between jurisdictions in the provisions of regional or local public services.
4.   Funding national priorities or 'merit goods.'
5.   Administrative justifications for inter-governmental transfers.

Commenting on the issue Boex (2001: 6) observes, "Unfortunately, despite many good fiscal policy applications for inter-governmental transfers, in practice transfers are often used simply for a political reason: to assure central government control over local government activities" (Boex 2001: 6). The above justifications and ra-

tionales, however, are not properly internalized in the majority of transitional and developing countries. They rather adopt inter-governmental transfers for less justifiable reasons, if not for 'bad reasons.' (Bahl et al. 2001: 5). These 'bad reasons' include:

– To discourage local autonomy in many ways including in the name of enforcing uniformity,
– To send out the impression that the local governments are less transparent, more biased and more corrupt,
– Ultimately to offload the central government's budgetary deficit on the local governments.

Briefly, since revenue assignment often does not provide sufficient revenues to finance regional or local government's expenditure responsibilities, inter-governmental transfers are often necessary to ensure revenue adequacy. The transfer can be conditional or unconditional, programme grants and other forms (table 11).

More importantly, transfer does not only fulfil the resource gaps of local governments. It can be used as an important policy instrument to address a variety of policy objectives. However "no single transfer instrument can achieve all objectives" (Shrestha 2002: 3). Each type of transfer has its own effects, advantages and disadvantages. Therefore, first, transfer instruments have to be assessed carefully and each instrument has to be used on a complementary basis so that advantages and disadvantages can be somehow balanced. These advantages and disadvantages and best-suited conditions are summarised in table 11.

Table 11:   Advantages and disadvantages of transfer instruments

Types of fiscal transfers	Best suited conditions/ usefulness and advantages	General restrictions by rule and disadvantages
Shared taxes (derivation basis or formula distribution)	- Promotes revenue stability - Maintains fiscal autonomy of local government.	- If there is no revenue autonomy at the local level, there might be higher chances of having less tax collection efforts.
General-purpose grants (unconditional)	- For inter-jurisdictional equalization - For the provision of significant local government discretion.	- Promotes dependency of local governments to central level. - Discourages the mobilization of local fiscal potentials.
Conditional grants (with or without matching)	- Helpful in simulating spending by local governments in national priority sectors, or - For preventing local governments from sub-optimal funding in particular activities	- Limits fiscal discretion of local governments. - Affects the allocation decisions of the local governments.

Types of fiscal transfers	Best suited conditions/ usefulness and advantages	General restrictions by rule and disadvantages
Cost reimbursement (full or partial) grant	- Useful when central government relies on local government to implement certain national policies that are outside the normal devolved expenditures to the local government.	- Restricts the discretion of the local government
Ad hoc or ex-post grants (covering deficits at the end by transferring or converting loan into transfer, etc.)	- Serve as instrument for the central government to buy favours. - Increase political clientele, or - Enhance political influence and power over jurisdictions. - Sometimes it is necessary in emergency, like disaster management.	- Unpredictable for sub-national planning and budgeting. - Hardly results in efficient allocation of resources by the local governments. - Planning for emergency may give good excuse for political manipulation on regular basis.

Source: Adapted from Shrestha, 2002: 9-46, Martinex-Vazquez, 2001: 1-16 and Bahl et al., 2001: 1-20

Thus the design and implementation of inter-governmental fiscal transfers is very complicated and is highly dependent on the policy goal of the central level government. The designing of a grant and complying with it subsequently becomes more complex when the government lacks a clear policy goal and strategic directions. It becomes even more complicated in a situation when there is no clear vision or strategy with respect to the hard choices between macroeconomic stability versus promotion of local fiscal autonomy, expenditure priorities of central level versus local preferences, and central political power versus broad-based local governance in the country.

Transfer design principles: Bahl et al. (2001: 5) agree that choosing the transfer method and structuring the transfer programme is ultimately a 'political choice.' However, he suggests that the design of transfer mechanism should be guided by sound economic principles. Bahl et al. prescribe the principles as follows:

- *Adequacy:* adequate resources should be made available to local governments to achieve its policy objectives.
- *Local autonomy:* transfer system should preserve local autonomy – preferably unconditional in nature – and should leave increased flexibility and discretion authority to local governments.
- *Equity and fairness:* the transfer system should support fair allocation and enhance equity by providing balancing or equalization grants to local governments with lower tax capacity and greater fiscal needs.

- *Predictable and stable:* the transfer should be predictable in a 'dynamic sense' and it should be stable over a period of a couple of years. This can be done by using a clear indicator-based formula.
- *Simplicity and transparency:* it should be, to the extent possible, simple and transparent by limiting objectives and pursuing one-policy objectives with each transfer programme and by simplifying formula to make it understandable to stakeholders. It will avoid policy ambiguity and minimize political manipulation.
- *Incentive compatibility:* it should not create negative motivation to local revenue mobilization and should not help inducing inefficient expenditure choices.
- *Avoid sudden large changes:* this is more important during the introductory phase of transfer schemes. Any changes in the design should not strive to cut arms of local governments.

In the next step, Boex (2001: 6) describes two important dimensions of intergovernmental transfers as basic rules as follows:

1. Determining the size of the divisible pool between the central and local governments (vertical fiscal balance). It ensures a balance between the fiscal needs and resources available to different levels of government.
2. The distribution of the divisible pool among local governments (horizontal fiscal balance). It ensures fiscal balance in resource allocation between government units at the same level and funding specific national priorities or to counteract the effect of inter-regional spillovers or externalities.

Boex prescribes adequacy of resources as one of the principles, but in reality available funds are always not considered adequate even in developed countries. It is very subjective and may bring controversy in practice.

Sub-national borrowing

Sub-national borrowing is the fourth and final pillar of fiscal decentralisation. When the local government's fiscal balance does not appear to be achievable through three pillars discussed above, then sub-national borrowing comes as the final alternative. There are a number of factors that play a vital role in sub-national borrowing such as credibility of regional and local governments who receive the debt, rate of return of the investment and repayment capacity, etc.

Sub-national borrowing is one of the pillars of fiscal decentralisation; however, it is a very critical option. The loan might be used for consumption, luxury or can be invested in an unproductive sector. In such cases local government easily go bankrupt. Therefore, borrowing is generally restricted only for selected productive sectors even in developed countries like Germany.

Potential dangers of fiscal decentralisation

There are also some arguments against fiscal decentralisation that highlight the potential danger of fiscal decentralisation. These include:

1. Chances of macro-economic instability,
2. Promotion of inequality between the regions, urban and rural areas,
3. Discouragement of national unity,

4. Politicisation of fiscal instruments which could lead to policy manipulation,
5. It might lead to regional autonomy before leading to regional independence at the cost of national unity, etc.

The arguments are not very convincing in comparison to the arguments raised in favour of fiscal decentralisation. These possible pitfalls could be managed through policy clarity, adjustments and appropriation. However, it is clear from the discussion above that fiscal decentralisation is not only limited to the political issues. It has serious implications in the political environment and financial system of the country. These implications and potential dangers have to be seriously considered from the beginning of policy design.

To encapsulate, fiscal decentralisation is a process of moving government closer to the people in a more material term. It brings high chances of resource mobilisation at the local level (Bahl 2004: 2), encourages local financial management innovations and promotes local initiatives. Fiscal decentralisation, as discussed above, is directly linked with political decentralisation. However, it is "closely entangled with other policy areas such as national macroeconomic policy, tax policy and tax administration and local governance." Therefore "a sound understanding of the interrelationship between fiscal decentralisation and these other policy fields is equally important to the successful implementation of a fiscal decentralisation strategy" (Boex 2001: 10).

Implementation rules of fiscal decentralisation

Bahl (2004: 5-10) describes the following implementation rules for fiscal decentralisation:

1. Inter-governmental fiscal relations or fiscal decentralisation must be considered as a comprehensive system which means "all of the pieces must fit together."
2. "Finance follows function." Firstly, expenditure assignments have to be fixed following the functions and then revenues should be assigned "in amount that will correspond to the expenditure needs."
3. "Begin fiscal decentralisation with a strong central ability to monitor." In this context, the central monitoring system should be sound enough to monitor the accounting system, fiscal analysis and quantitative monitoring and evaluation.
4. "One system will not fit the urban and rural sectors." Sub-national government's capacity varies in different aspects across urban and rural areas in particular. This demands that the fiscal decentralisation design should recognize and address these differences.
5. "Fiscal decentralisation requires significant local government taxing powers." Importantly "urban local governments must have some taxing powers."
6. The central government must respect and follow its commitment to decentralisation by following the rules that it makes.
7. "Keep it simple." Local governments, in general, cannot handle complex intergovernmental fiscal arrangements. Therefore it should be easily understandable and manageable by local governments. "Precision in tax administration and grant distribution is probably not possible in most cases."

8. Grants and shared taxes must play an important role in almost any decentralised fiscal system in a developing or transition country. Transfers may be designed as more centralised or more decentralised.

9. There is an intra-province dimension to inter-governmental fiscal relations, which should be taken into account in designing the system.

10. "Impose a hard budget constraint." If there are fiscal deficit in local government, it should not be fulfilled by the central government in order to maintain fiscal discipline and accountability in the local government.

11. It should be recognised that "inter-governmental systems are always in transition." This should be considered in planning or designing the system.

12. Fiscal decentralisation is a very popular policy in developing and transitional countries. For decentralisation to succeed, "there must be a champion of decentralisation" (internally) who clearly understands the costs and benefits of establishing such intergovernmental fiscal relations as a system.

Fiscal decentralisation in European Union countries: a comparative perspective

Here efforts are made to review and discuss the status of fiscal decentralisation in some European countries even as some of the indicators are compared with developing countries. It clearly explains the trend and features of fiscal decentralisation.

Public expenditure

The status of public expenditure in different levels of government is one of the important indicators to assess fiscal decentralisation. It indicates the expenditure assignment in different levels of government.

As illustrated in table 12, the local governments in Denmark have the highest share in public expenditure (33.3 percent) followed by other Scandinavian countries like Sweden (28.1) and Finland (20.1). The Netherlands have 20.5 percent followed by Italy (15.3 percent) and Germany (15.2 percent). Local government's share in total GDP in Ireland is 14.5 percent whereas it is relatively lower in Greece (6.4 percent), Luxembourg (4.5) and in Portugal (3.8 percent). Public sector has a dominant position in terms of public expenditure in Sweden and Denmark which constitute more than 60 percent of total GDP.

There is no uniformity in local and regional government systems (see table 15) in the European countries. The share of different levels of government in public expenditure and revenue are also calculated differently[2]. Therefore, these data are not easily comparable across the European countries and statistics may mislead the interpretation.

"The OECD statistics exclude public sector investment. However it should be mentioned that regional and local authorities play a role in public investment. For example, local authority investment in Portugal constitutes the main part of all public investment" (COR 1996: 20).

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[2] OECD's definition of public expenditure excludes investment. Germany includes only West Germany's figures. Data are used from different years as available: Luxembourg 1986, Portugal 1989, Ireland and Spain, 1992. Figures for Belgium are calculations according to the 1995 reports of the *National Bank van Belgiз* and include capital expenditures.

Nevertheless, table 12 give the general indicative picture of public expenditure of 15 European Union (EU) countries.

Table 12:   Public expenditure by level of government, 1993 (percent of GDP)

Country	Public expenditures	Central government	Regional and local government	Social security funds
Austria	48.4	17.9	13.8	16.7
Belgium	54.2	18.2	13.9	22.1
Denmark	61.1	18.8	33.3	9.0
Finland	59.1	15.7	20.1	23.3
France	50.9	16.4	9.5	25.1
Germany	45.5	10.8	15.2	19.5
Greece	51.2	27.0	6.4	17.9
Ireland	38.7	19.6	14.5	4.6
Italy	52.9	23.2	15.3	14.4
Luxembourg	40.7	16.1	4.5	20.1
The Netherlands	55.9	15.6	20.5	19.7
Portugal	34.7	21.7	3.8	9.3
Spain	40.7	10.6	10.6	19.4
Sweden	67.3	26.2	28.1	13.0
United Kingdom	42.7	21.2	16.0	5.6

Source: OECD National Accounts 1995 in COR, EU, 1996: 20

Revenues and transfers: fiscal dependency

The level of fiscal dependency on central level government in EU member countries (15 countries) highly varies. On the one hand, local government in Ireland, the Netherlands and the United Kingdom rely heavily on central government grants. These countries have relatively low tax revenues. On the other hand, Austria, Belgium, Denmark, Finland, Germany, France Luxembourg, Spain and Sweden have relatively high level of income from local tax revenues. But central grants remain an important factor for all these countries.

The use of non-tax revenue generally plays a less important role in regional and local government finance in the EU member countries (15) except in the case of Greece, Luxembourg and Portugal. In these 3 countries, the non-tax revenue constitutes more than 30 percent of total local government revenues (table 13).

Table 13: Tax revenue (%) received by different levels of government, 1993

Country	Central government	Regional and local gov't	Social security funds	European Union
Austria	50.4	21.2	28.5	0.0
Belgium	59.7	4.7	34.4	1.2
Denmark	65.3	31.0	3.2	0.5
Finland	49.5	21.5	29.0	0.0
France	44.8	10.0	44.8	0.4
Germany	31.2	29.4	38.7	0.7
Greece	65.1	1.2	32.9	0.8
Italy	58.9	3.7	37.1	0.3
Ireland	82.8	2.4	13.7	1.4
Luxembourg	65.5	5.9	28.2	0.4
The Netherlands	58.1	2.4	38.2	1.3
Portugal	67.4	5.8	26.8	0.0
Spain	49.4	12.4	37.7	0.5
Sweden	43.9	34.8	21.3	0.0
United Kingdom	77.0	4.1	17.8	1.0

Source: OECD National Accounts 1995 in COR, 1996: 26

Table 13 shows that 15 EU countries share tax revenues with different levels of government. The degree of share varies greatly from country to country (e.g. Greece 1.2 to Sweden 34.8). Regional and local governments of Germany, Austria and Scandinavian countries receive a relatively higher share of total tax revenues.

Bahl (2004: 4) presents an overview of a study on fiscal decentralisation comparing developing countries and OECD countries (table 14).

Table 14: Share of sub-national government in tax and expenditure

Year	Countries	Sub-national gov't tax as a share of total gov't tax	Sub-national gov't expenditure as a share of total gov't expenditure
1970s	Developing countries	10.44 (43)	13.01 (48)
	OECD countries	18.71 (22)	33.78 (22)
1980s	Developing countries	7.70 (35)	13.24 (43)
	OECD countries	18.75 (22)	32.27 (23)
1990s	Developing countries	9.27 (28)	13.78 (54)
	OECD countries	19.13 (20)	32.41 (23)
	Transitional countries	16.59 (14)	26.12 (23)

Source: Bahl, 2004: 4   Note: Sample size is in parenthesis.

Table 14 shows the status of fiscal decentralisation in different categories of countries compared in terms of two major indicators. Both the sub-national tax and share of sub-national expenditure in total national tax volume and expenditure are very low in developing countries as compared to the OECD countries and the countries of transitional economies. Although the source of revenue (transfers, revenue, or borrowing) is not clear enough in the source information, the increment process in developing countries has remained very slow. It means the political decentralisation is not well supported by financial means and overall decentralisation is not very effective.

2.7 Multi-level government and basic functions

Local government

Governments at different levels should manage public affairs based on the principle of subsidiarity. Local governments in decentralised systems play the role of promoters of participation, democratic culture and values, service providers or insurers. Local governments also play an intermediary role between local citizens and upper level or central level governments. Inferentially, the structure of local government is important in order to increase the effectiveness and efficiency of local governments. This chapter shall discuss different structures and general functions of local government.

Local government structures

There are varieties of models of multi-level government structures practiced in different countries. Some of them are as given below.

There are some countries which have two levels of government – the central and the local government (figure 5).

Figure 5:   LG Structure 1 - two levels

	Example: Malawi and Swaziland
Central government	**Country** / **Characteristics**
	Malawi / Centre and Districts (30), average district population (300,000)
LG LG LG LG LG	Swaziland / Centre, Urban Councils and Boards (12), average population (5,000 - 60,000)
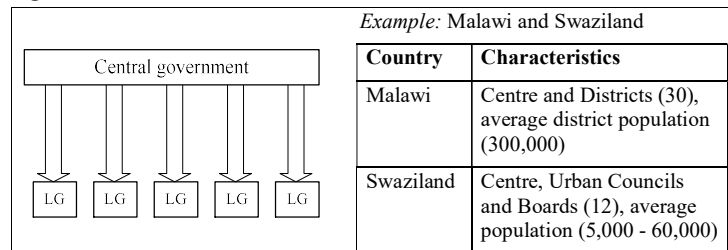
Source: Adapted from Olowu, 2003: 41-52

Another example of multi-level government is divided into three different levels – central, regional and local government (figure 6).

Figure 6:   LG Structure 2 - three levels

	Example: South Africa and the Netherlands
	Country | **Characteristics**

	Example: South Africa and the Netherlands	
	Country	**Characteristics**
	South Africa	Central, Provinces (9) and LG (791)
	Netherlands	Central, Provinces (12), Municipalities (636), average population (30,000)
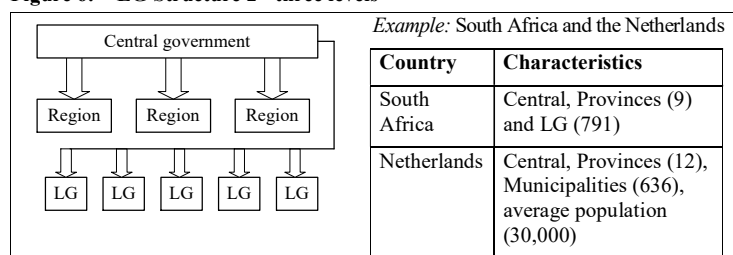
Source: Adapted from COR, 1996: 165 and Olowu, 2003: 41-52

Third example of local government structure is Nepal, which has two tiers of local government (district and village/municipality) and three levels – centre, district and village/municipalities at the grassroots level (figure 7).

Figure 7:   LG Structure 2 (a) - two tiers/three levels

	Example: Nepal	
	Country	**Characteristics**
	Nepal	Centre, Districts (75), Municipalities (58), VDCs (3,913)
		Average VDC population (3,500)
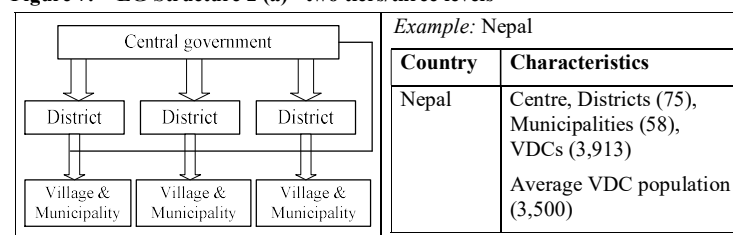
Source: Adapted from the LSGA, 1999

The fourth example is the government structure of the Federal Republic of Germany (figure 8).

Figure 8:   LG structure in the federal system

	Example: Germany	
	Country	**Characteristics**
	Germany	Federal level, Lander (16, state), Kreise/County (426), Gemeinde (16,068), Kreisfreie St←dte (117)
		Cities are not under county and Kreise is a cooperation of cluster of Gemeinde.
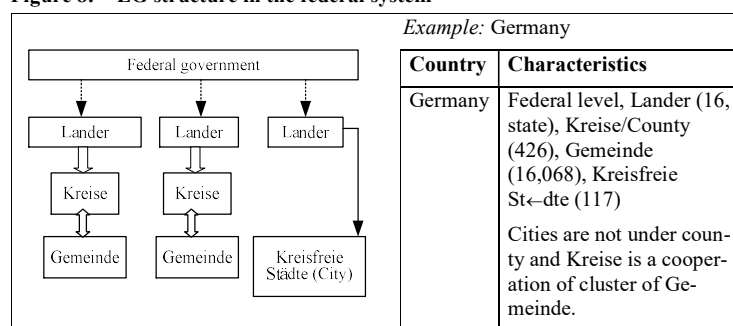
Source: Adapted from COR, 1996: 34

Advantages and disadvantages of different sizes and structures

Size and structure of local government are debatable issues. Some believe that large governments are better equipped to meet the demands of what is identified as the basic community – and in some cases – also regional services. In case of Nepal, local government reforms have often included a recommendation of consolidating local government units to improve institutional capacity and increase planning at the VDC level (MLD 2004a: 4-5). "Many countries, however, are beginning to understand that large size may stimulate inter-ethnic conflict and widen the distance between citizens and local governments. Furthermore, countries are learning that it is unnecessary to have a large size in order to take advantage of scale. This can be done though contracting and joint production of services (Ostrom et al. 1993 in Olowu 2003: 48).

Olowu further highlights advantages and disadvantages of tiers of local governments. He notes: "It is also possible to create several tiers of local authorities which may improve local political connections but that requires additional fiscal and human resources. A recent South Africa consolidation is intended to improve class and racial integration, but it will also increase the distance between the government and the people, as the Nigerians realised when they undertook reforms in 1976. In such cases, efforts can be made to create sub-local government entities but they may not be able to effectively link communities and local governments. Uganda's solution was to create five local government tiers. This may maximize participation, but it could waste scarce resources and be cumbersome in terms of how to share responsibilities and resources among local levels" (Olowona et al. 2000 in Olowu 2003: 48).

This suggests there are different trends with regards to different levels and structures of local government. Boex (2004: 18) refers to a scenario when that many countries followed the path of making too small a unit of local government at the initial stage of decentralisation reform. The process was primarily driven by political reasons - attempts to 'optimise' the capacity of local governments. It has resulted into too small a unit of local government to be viable for planning and to carry out governance activities at local level. This relates to structure one as outlined in figure 7. Having only two levels (centre and local), there are many complications associated with this structure in terms of resource sharing and coordination between central – local and local–local entities.

Decentralised governments in European Union: a comparative perspective

Levels of government and the functions of local government

There are different levels of government in the European Union that varies in size, number and levels from country to country (table 15).

Table 15:   Different levels of government in European Union countries

Country	Regional government	Intermediate level local government	Number and name of local government
Austria	9 L←nder	-	2347 Gemeinde
Belgium	3 Regions	10 Provinces	589 Communes
	3 Communities		
Denmark	-	14 Amter	275 Kommuner
Finland	1 Autonomous region	19 Regions	455 Kommuner
France	26 Régions	100 Départments	36,433 Communes
Germany	16 L←nder	426 Kreise (counties)	16,068 Gemeinde (Municipalities)
			117 Kreisfreie St←dte (Cities)
Greece	-	-	359 Demoi, 5562 Koinotikes
Italy	20 Régions	95 Provinces	8,066 Communi
Ireland	-	29 Counties	83 Municipalities
			5 City Corporations
Luxembourg	-	-	118 Communes
The Netherlands	-	12 Provinces	633 Municipalities
Portugal	2 Autonomous Regions	-	305 Municipios, 4220 Freguesias
Spain	17 Regions	50 Provincias	8,098 Municipios
Sweden	-	23 Landstig	288 Kommuner
UK	-	56 Counties	482 Districts

Source: COR, 1996: 19

As shown in table 15 the number, structure and levels of government differ considerably among the EU countries. In France there are more than 36,000 Communes at local levels. Similarly, Italy and Spain have more than 8,000 local governments and Germany has more than 16,000 *Gemeinden* at the grassroots level. Ireland has fewer local government units (88) in comparison to other EU member countries. Greece and Luxembourg do not have regional and intermediate local government. Denmark, Ireland, the Netherlands, Sweden and UK do not have regional level government. Germany, Austria and Belgium are federal countries, and states in Germany, for example, have their own parliaments and independent judicial systems. The scope of

functions, role, and financial capacity largely vary with all different structures and levels (COR 1996: 19).

The basic units of local government nearest to the citizen are city, town, commune, or village. Local governments in the EU countries vary considerably in size beginning from less than 1,000 to over 500,000 inhabitants. In France and Spain, a major part of the municipalities have fewer than 1,000 inhabitants, whereas 100,000 inhabitants is the minimum size for English municipalities and many have populations of more than 500,000. (ibid: 19).

In Germany, significant reforms in the structure of local government took place during the 1960s and 1970s. In former West Germany, the number of municipalities was reduced by almost 50 percent (from over 20,000 to almost 10,000). At present, the average population in municipalities in former West Germany is 7,500. However, such restructuring did not take place in former East Germany and therefore there are 75,000 municipalities, and the average population of municipalities is approximately 2,000. Thus population size in the municipalities varies extremely (ibid: 95).

Levels of government: advantages and disadvantages

How 'low' should the level of local governments be is a very debatable topic. There are both advantages and disadvantages (table 16).

Table 16: Advantages and disadvantages of lower levels of local governments

Advantages	Disadvantages
Achieves more homogeneous jurisdictions at the lower level.	Fragmentation ignores scale of economies in provision and administration: technical inefficiency.
Better match in provision areas for goods with small benefit areas: improves allocative efficiency.	May decrease scope of economies in administering public goods: technical inefficiency.
More competition between local governments: increases in administrative efficiency.	Less vertical accountability.
Government closer to the people: increased political participation and better-informed consumer of local public goods.	Too many government levels increase information costs, reduce participation, transparency and accountability.

Source: Boex, 2004: 16

Some countries have merged lower levels of local governments. The rationales for merging local government units are to enhance planning viability and to reduce administrative expenses. "As a part of the process of decentralisation, some countries have merged smaller municipalities to establish local entities with the minimum of staffing and financial capacity necessary to provide the needed public services in the local communities, e.g. the Netherlands" (ibid: 20). However, decreasing the number of local governments or merging them with each other is a very political and sensitive issue.

The functions of local governments and inter-dependencies among different levels of government differ widely among the EU member countries due to differences in the role of public sector, level of decentralisation and governance practices.

2.8   Democratic governance: managing public affairs collectively

This section discusses the conceptual understanding of governance, different governance models which are in vogue in the Western developed countries, and some experiences of participatory governance from developing countries. The Kerala case, an Indian state, is picked for this purpose.

Some definitions of governance

The World Bank defines governance as the manner in which power is exercised in the management of a country's political, economic, natural and social resources. The World Bank has identified three distinct aspects of governance: 1) the form of political regime, 2) the process by which authority is exercised in the management of a country's economic and social resources for development; and 3) the capacity of governments to design, formulate and implement policies and discharge functions (WB 1997 in Fukuda-Parr and Ponzio 2002: 110).

The UNDP views governance as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences (UNDP 1997 in Fukuda-Parr and Ponzio 2002: 110).

The Institute of Governance (IOG), Ottawa describes governance as comprising the institutions, processes and conventions in a society which determine how power is exercised, how important decisions affecting society are made and how various interests are accorded a place in such decisions (IOG 2002 in Fukuda-Parr and Ponzio 2002: 111).

Development was seen to be a state-led activity until the 1980s starting from the 1960s. Public affairs were managed mainly through 'planning' frameworks. Strengthening public administration was the focus of what is today commonly called 'governance reform.' Today's governance debates grew out of concerns with the implementation of economic reform programmes that were part of an overall economic liberalization agenda in developing countries in particular.

To summarize, governance is a process of managing public affairs at all levels in which power and authority are exercised in a collaborative manner. The state, democratic institutions, private sector and civil society articulate their interests, mediate their differences, and exercise their legal rights and obligations to achieve shared goals and objectives. Governance holds holistic perspective and it is a continuing process through which conflicting or diverse interests are accommodated and cooperative actions are taken to manage the affairs of common interests.

Advantages of democratic governance

Fukuda-Parr and Ponzio (2002: 117) note: "Democratic governance needs to be underpinned by a political regime that guarantees civil and political liberties as

human rights and that ensures participation of people and accountability of decision makers." They further advocate for meaningful devolution of authority to local units of governance that are accessible and accountable to the local citizenry which enjoy full political rights and liberty (Blair 2000: 21 in McGee et al. 2003: 7). "It embodies the aspiration of making government at local level more responsive to citizens and more effective in service delivery through building participation and accountability" (McGee et al. 2003: 7).

The contemporary literatures (Cheema and Maguire 2002: 26-32, Fukuda-Parr and Ponzio 2002: 120) highlight the following distinct advantages of democratic governance over authoritarian regimes:

1. Democracies are better able to manage conflicts and avoid violent political change because they provide opportunities for the people to participate in the political process of the country.

2. Democracies also contribute to political stability and the status of human security because open space for political contests allows more peaceful resolution of conflict. Fukuda-Parr and Ponzio (2002: 120) give evidences of the years between 1950 and 1990 that riots and demonstrations were more frequent in democratic countries, but these were much less destabilizing than in dictatorships. Dictatorships are also more prone to war. They have, for example, experienced war every 12 years compared with every 21 years in democracies.

3. Democracies are better able to avoid threats to human survival because of checks by the opposition parties, uncensored criticism of public policies and the fear of being voted out of office.

4. Democratic system increases citizens' access to public goods and services. Democracies lead to greater awareness of social development concerns including health, education, rights of women and minorities. This makes governance more efficient and responsive to local needs.

5. Through the local government structures democratic governance makes it possible to distribute resources in an equitable, transparent and accountable way.

6. Democratic governance can also reduce income disparities and provide equal opportunities by protecting the rights of minorities from the 'tyranny of the majority.' National institutions, affirmative action and legal standards are all tools of democratic governance that can help resolve income disparities among communities or help encourage more women to participate in the political process.

Democratic institutions and democratic processes give enough space to the people to have their voice heard. Moreover, open competition for power leaves politicians more likely to respond to the needs of ordinary people. The important assumption behind democratic local governance is that local governments are familiar with local circumstances and they can better mobilize local stakeholders for common benefits. This leaves them in best position to equitably distribute the benefits of public resources.

However, Fukuda-Parr and Ponzio (2002: 120) argue that it is not easy to translate this ideal situation not only in young democracies, but also in established democracies. They explain the two main reasons behind this. Firstly, corruption and

elite capture subvert democratic institutions. The second reason is inadequate access of people to democratic institutions.

Fukuda-Parr and Ponzio further argue: "Democratic realists say that this is to be expected of representative democracy which above all is a system of political competition and not one intended exclusively to empower citizens. But that neglects two other features of democracy: participation and accountability." They suggested the following features of democratic governance (Fukuda-Parr and Ponzio 2002: 120-128). Democratic governance that:

– responds to peoples' priorities, is about more than people having the right to vote. It must be about strengthening voice and power through democratic politics that make participation and public accountability cut through elite control of institutions.

– gives priority to poor peoples' economic interests, is not only about institutions and rules that promote efficiency but also ensures fairness and social justice.

It is important to note that the debate of good governance in recent days is more related to improving and reforming the functioning of democratic institutions, including the 'deepening of democracy', strengthening accountability and exploring more active and creative roles for non-state actors (ibid: 128). Strong democracies rely very much on institutional strengths which are also vital to sustain the economic development and the efficient functioning of markets. The disastrous experience of the former USSR can be taken as an example in this connection (Blunt 2002: 251).

Local government's role in fostering participation and democracy at local level

While on one hand, the democratic local governments serve as vehicles which ferry the fruit of democracy, on the other hand, they play a vital role in promoting democracy at the local level through different means. These include greater involvement of citizens in governance activities, sharing of power among key stakeholders through participation, promoting the culture of basic human rights, maintaining transparency, partnership and collaborative management of common affairs.

Fukuda-Parr and Ponzio (2002: 110) recommend the following actions to be taken by local governments for fostering citizen's participation at local level which are the core to local democracy:

1. Joint action between government and civil society actors in governance tasks: example, participatory planning processes at local level.
2. Accountability: citizens holding their own elected spokespeople accountable as representatives of their views.
3. Citizen's participation in making decisions which have traditionally been the business of government, or in some cases – whether explicitly or implicitly - government with donor and creditor agencies.
4. Transparency and information sharing provision through different means such as websites, regular publications and notice boards, broadcasting by local radios and televisions etc.

McGee et al. (2003: 47-49) recommend the following approaches for the local democratic governance to be fully effective. These include concluding remarks of com-

parative study carried out while focusing on legal frameworks of some Latin American, South Asian, African, South East Asian and selected (22) northern countries:

1. The strengthening and improvement of the institutions of representative democracy by making them more representative and more responsible to less powerful section of population. Cases cited are – from India (73rd and 74th constitutional amendment of 1992 concerning broadening the democratic base of the local tier of government and *Panchayat Raj* institutions respectively) and Uganda (1995 Constitution/Article 78, which guarantees one parliamentary seat per district for women and allows Parliament to provide representation for people with disabilities, youth and other disadvantaged groups).

2. The second approach is the strengthening and improving of representative democracy by enhancing the quality of representation by enabling citizens to hold their representatives accountable for their performance. Example cases cited are from Uganda and the Philippines where people deserve the right of recall of elected representatives.

3. A third approach is the complementing of representative democracy with more direct forms of citizen participation in governance through the promotion of more entry-points and interfaces for civil society actors to operate in governance space and processes beyond the confines of existing representative institutions. Examples are citizen assemblies in India and Indonesia.

4. Another approach is the promotion of laws or policies having more outreach of government actors into civil society spaces and processes. Holding of public audiences and consultations of the kind recommended by many of the northern governments serve as examples.

Governance systems in the Western countries: a planning perspective

Planning is an important approach of governance which in a modern sense emphasises knowledgeable reasoning and argumentation. A planning approach to governance encourages adopting a particular way of thinking, an organisational style and development of a distinctive and expressive, communicative culture through which activities are conducted (Healey 1997: 219-220). Healey characterizes the western governance system into 1) Representative Democracy, 2) Pluralist Democracy, 3) Corporatism, and 4) Clientelism.

Since representative democracy and pluralist democracy are closely related to this study, their features, advantages and problems are summarised in table 17.

Table 17:   Models of governance system and main features

 1. Representative democracy: idealized model of a democratic state

- Representative democracy assumes that governments get elected and have the legitimacy to make policies. Thus governments are created on behalf of and at the service of the people as electors.

- The task of politicians, assisted by their officials – both administrators and expert – is to articulate the 'public interest' on any issue, and to develop government action to achieve that interest.

- The officials are answerable to the politicians, and the politicians are answerable to the people through the mechanism of election. Governance is focused on the formal government institutions.

- This model encourages governance styles which emphasise either the legal-administrative rule-bound behaviour, which Max Weber describes, or the more flexible discretionary judgement of officials of the British system.

- This model could work well in a relatively homogeneous society, with limited cultural diversity. It fits with European post-war ideas about a modern managed economy and a welfare state.

Problems of this model

- The central problem for the model is that its practice is not like in theory. Politicians and officials are subject to all kinds of influences in all areas of governance work and practice have shifted towards another model. The model has now been widely challenged.

- The model encourages the development of hierarchically-structured bureaucracies, focused around technical and administrative expertise in which officials justify their actions and decisions upwards to their seniors and the politicians to whom these are accountable rather than outwards to 'people.'

- A more fundamental conceptual criticism is that politicians cannot aggregate all our interests in any meaningful way on every issue as interests are too diverse. Furthermore, officials cannot 'know enough' about issues and concerns to advise politicians.

- Representative democracy is an indirect way for citizens to exert power and their satisfaction with it will depend on the effectiveness, probity and degree of accountability of the representatives chosen. The reliance on selection of representatives by majority election means that even with low levels of citizens' involvement this model satisfies its rather restricted purpose.

- Growing interest in 'public participation' in local spatial planning since the 1960s is the evidence of attempts to overcome the weaknesses of the representative model. However, involving the public in articulating 'the public interest' overlaps with the roles and responsibilities of political representatives, thus they felt participation to be a challenge for them.

2. Pluralist democracy

- The significance of diversity of interests is recognised in pluralist democracy. It presupposes a society composed of many different groups with different interests all competing to define the agenda for the actions of governments.

- Politicians get elected through the ballot box but their task is less to articulate public interest on behalf of society than to arbitrate between the interests of the different groups.

- The style of such system combines a 'politics of voice' with the language of legal discourse.

- It encourages groups to articulate their concerns in adversarial forms as fixed interests and preferences. Such adversarial positions do not make for smooth planning processes. In the US, the introduction of strategic planning systems has arisen in a few states to try to reduce the scale of conflict over individual issues (DeGrove 1984, Innes 1992 in Healey 1997: 223).

- This involves a shift to developing policy reasoning in advance of regulatory decision, rather than probing it in costly legal arenas after decision has been made. This shifts the emphasis from pluralist competition and argument over projects to consensus-building practices over strategy.

Problems of this model

- In governance cultures with a pluralist form, planning process either become absorbed into mediation process, or planners become involved in the competition arguing for particular qualities, values and interests. Mediation process raises the problems of ethics and legitimacy.

Source: Adapted from Healey, 1997: 220-230 and McGee et al., 2003: 8

The issue of inclusiveness and responsiveness

The central problems in both models presented above run as follows:
1. The way to make political representatives more sensitive and responsive to the 'public interest' in practical terms.
2. The issue of participation, inclusiveness and efficiency.

Healey (1997: 232-238) proposes the following approaches towards minimizing the key governance problems associated with different models, the inclusionary issue in particular.

Criteria-driven approach

Healey argues that the "criterion- driven approach evolves within contemporary attempts to realize a neo-liberal approach to the market and social behaviour in contemporary societies." Government's responsiveness is increased through different mechanisms such as 'Citizen Charters' and the like. The degree of responsiveness of the government is measured through the performance. "It also offers great attractions as a way of breaking away from the bureaucratic bastions inherited from the past."

Entrepreneurial consensus

Healey argues that the idea of entrepreneurial consensus that "builds on the reality of local alliances with developmental agendas and can be considered a form of local corporatism." It underlines many of the partnership-building activities and encourages building consensus among key regional and local stakeholders. It can be considered as a deliberate effort in horizontal networks building (ibid: 235). However, the biggest challenge for such network and alliances lies in the ability of key players to become both 'knowledge-rich and inter-culturally-sensitive'" (ibid: 236).

Inclusionary argumentation

This promotes participatory discursive democracy in a practical way by emphasising a collaborative consensus building process with strong inclusionary intentions. "This approach seeks to widen out governance effort to include all those with a stake in a locality in both strategy formation and policy delivery" (ibid: 238).

However, true participation, consensus building and argumentation involve a massive amount of time, patience and consistent effort. It is not that easy in such a busy society. Quick strategic action might not be possible when it comes to tapping the opportunities. Thus the costs of participatory democracy could be high, if not efficient in the process.

The transformation of governance styles: a synthesis

As discussed above, the different approaches have the following similarities and differences. Fundamentally, all models are similar in principle. However, what they differ in is over strategising. All models assume a formal democratic form for governance in which citizens elect politicians as their representatives. All recognize that there are multiple partners and multiple realities. Consequently, all models seek ways of opening up government processes to pave the way for a more continuous dialogue between key partners such as the government, business and citizens.

There are, however, some differences in the strategies and focus of different models discussed above (ibid: 234).

– The criteria-driven approach stresses the hard infrastructure of the form of *policy measures,* while the entrepreneurial consensus concentrates on the soft infrastructure, the processes of *consensus-building*. However, the participatory approach combines both hard and soft infrastructures, emphasizing on the *style of reasoning* and the construction of rights with respect to process.

– The criteria-driven approach converts citizens' interests into technical criteria with which the performance of government agencies are to be monitored.

– The entrepreneurial consensus and inclusionary argumentation both respond to demands for active involvement of business and citizens. The entrepreneurial consensus focuses building consensus through the mechanism of ad hoc alliances among key partners, whereas the inclusionary argumentation seeks a more systematic approach by involving members of political communities (ibid: 239-40).

There is a need of effective institutional framework and clearly defined result-oriented processes in place for effective collaboration. These can help to build con-

sensus among the stakeholders focusing on specific problems and crafting strategies and shared visions as future directions.

Democracy as empowered participation

Fung (2004: 1-30) has different perspectives and sees democracy as 'reform strategy' for administrative reform, institutional design, mechanisms of effectiveness and sources of fairness. He presents his argument as 'Empowered Participation' as overarching, democracy-rooted and effective public sector reform strategy. Fung (2004: 4) places his core argument that "troubled public agencies such as urban police departments and school systems can become more responsive, fair, innovative, and effective by incorporating empowered participation and deliberation into their governance structures. The experiences suggest several ways in which neighbourhood participation and devolution might improve the quality of public action compared to centralised agencies. Foremost, centralised programmes may be effective in some places and under some circumstances but not others. Decentralisation, by contrast, allows localities to formulate solutions tailored to their particular needs or preferences" (Tiebout 1956 in Fung 2004: 4).

Fung (2004: 9) claims "empowered participation […] takes its inspiration from the traditions of civic engagement and participatory democracy rather than public-management techniques or competitive markets." Empowered participation and other reform models that spring from democratic roots therefore merit serious exploration and consideration alongside the prevalent choice between hierarchies and markets."

The devolution process gradually promotes local democracy and encourages local residents, communities, and local officials "to imagine and implement innovations that depart from conventional wisdom and routine and are therefore unlikely to come from the central office." Local knowledge can be useful for their own betterment "that may not be systematically available to or easily usable by centralised organisations" and devolution encourages local civil officials to be more accountable (ibid: 5).

Proponents of participatory decision-making (Pitkin and Shumer 1982, Barber 1984 in Fung 2004: 5) in local democratic forms "favor local autonomy from centralised authority in part because they fear that central power tends to encroach on local prerogatives, to crowd out civic initiative and engagement, and to disregard crucial local knowledge" (Fung 2004: 5).

Campaign for democratic decentralisation in India: some lessons

Fung (2004) presents the case of participatory-democratic governance applied in the southern Indian state of Kerala as a very successful case. Kerala, one of the poorest Indian states, having 32 million inhabitants, has achieved tremendous progress in improving human development indicators through participatory-democratic governance. "In 1991, for example, Kerala's adult literacy was 91 percent compared to an all-Indian rate of 52 percent. In 1995, life expectancy was 71 years compared to 62 for India as a whole" (ibid: 238).

Despite impressive accomplishments for a few years, two shortcomings in Kerala's development model had become evident by the 1990s. "First, the model failed to

produce economic growth at the same time that it generated substantial equity. Second, the public bureaucracies that had created impressive redistributive, regulatory and public health infrastructures had also become quite corrupt and unaccountable to either local residents or elected parties. Close observers decry the iron triangles of favouritism that connect politicians to government engineers and contractors (Isaac and Heller 2003 in Fung 2004: 238-239).

In 1996, the Communist Party of India-Marxist (CPI-M) initiated another dramatic program of participatory decentralisation called 'People's Campaign for Democratic Decentralisation.' It was targeted at addressing major shortcomings and criticisms of participatory democratic governance. It was expected that previously laid structures of decentralised governance would improve productivity. The major strategies adopted were "injecting local information and preferences into the design and implementation of public projects in areas such as infrastructural development and agriculture" (Fung 2004: 239).

It emphasized accountable autonomy and defined two-tiered centre-locality relationships. The programme devolved substantial governance authority and responsibility to village planning councils, *Panchayats*. Crucially enough, it shifted control over 40 percent of state budget to these local bodies, which did not have substantial revenue or decision- making power prior to the campaign. Each *Panchayat* was required to go through an elaborate participatory-democratic process to receive the money. "In the short time since its initiation, the Campaign for Democratic Decentralisation seems to have achieved impressive democratic and administrative gains on a large territorial scale" (ibid: 240).

Fung (2004) describes the quality of local planning, "The quality of local planning in the first year of the campaign was very uneven and quite low in many areas. Given the lack of prior local capacity and growing pains associated with any large-scale public policy of this sort, poor planning quality is perhaps unsurprising. Only time will reveal whether robust centralised training and mobilization programmes can overcome these substantial difficulties" (ibid: 240).

2.9   The balance between centralisation and decentralisation

The role of the central level

Boex (2001: 2) places his argument that "[…] regional and local government cannot be completely autonomous from the central government because they need to operate within the larger public sector. As such, sub-national governments should act within the legal and administrative framework established by the higher-level government." Similarly, Fung (2004: 5-6) also agrees, "autonomy is not problem-free." He notes: "local autonomy often encounters its own difficulties. Liabilities such as parochialism, lack of expertise and resource constraints may impair the problem solving and administrative capabilities of local organisations relative to centralised forms. Such pathologies may not be intrinsic to empowered participation and deliberation. Rather the extent to which such criticisms apply may depend upon the details of the institutions that render the abstract notions of deliberation, participation, and empowerment into concrete practices. In particular, the devolution of authority to autonomous local bodies is frequently taken to be natural institutional form of

participatory democracy" (Arnstein 1969, Kotler 1969, Mansbridge 2002 in Fung 2004: 5-6).

Fung describes two distinct senses of autonomy. Firstly, "autonomy entails independence from central power." Secondly, "it stresses the capacity of local actors to accomplish their own ends" (Fung 2004: 6). Fung further explains "[…] a more perplexing problem with local independence is that groups may lack the wherewithal, goodwill, or motivation to come together as the professionals and residents." Group differences, elite captures or domination by particular factions, and lack of innovativeness all adversely affect local autonomy, "when autonomy is understood as capacity rather than license" (ibid: 6)

Fung proposes a mechanism of 'accountable autonomy' for maintaining central relation with local bodies. He argues that the mechanism of 'accountable autonomy' can reduce internal obstacles and safeguards both as part of local processes and substantive outcomes. In order to ensure that local authorities utilize their discretionary latitude constructively, outside bodies need to monitor the relevant outcomes (ibid: 7-8). Accountable autonomy offers a model for public agencies to better interact with local citizens that stands in favour of local democracy and community control on both conceptual and institutional dimensions. The model emphasizes the positive and constructive face of autonomy (ibid: 8). Fung further highlights two important general functions of central authority as follows:
- to provide various kinds of supports needed for local autonomous authorities or groups to accomplish their ends,
- to hold these local authorities or groups accountable to the effective and democratic use of their discretionary latitude.

Fung justifies the need of external guidance to local level and monitoring by the central authorities. "Somewhat paradoxically, realizing autonomy requires the sensitive application of external guidance and constraint. When fractions inside a group dominate or paralyze planning processes, outsiders can step in to break through jams and thus enable the group to better accomplish its ends" (ibid: 8).

Danger of decentralisation

It is widely realized that public sector needs vital improvements not only to increase its effectiveness and efficiency but also to support and promote decentralisation and promotion of local democracy.

Decentralisation, however, is not a panacea for all public sector problems. It does have potential challenges and its own disadvantages (WB 2004) as below:
- Decentralisation may not always be efficient, especially for standardized, routine, network-based services.
- It can result in the loss of economies of scale and control over scarce financial resources by the central government.
- Decentralisation can create challenges to macro-economic stability at the national level.
- Weak administrative or technical capacity at local levels may result in services being delivered less efficiently and effectively in some areas of the country.

– Administrative responsibilities may be transferred to local levels without considering adequate financial resources and making equitable distribution or more difficult provision of services.
– Decentralisation can sometimes make coordination of national policies more complex and may allow functions to be captured by local elites.
– Decentralisation may increase the level of complexity in centre-local relations and establishing linkage between plans and programmes at different levels.
– There is a possibility of creating a situation of distrust between public and private sectors which may lead to undermining of cooperation at the local level.
– There might be instances of certain groups getting favours and thus delivering of public goods and services may become subject to nepotism. This is more likely to happen at the beginning of decentralisation process.

McLean (2002) notes the following dangers of decentralisation that have to be observed seriously, or else they may impede further decentralisation, create delays and obstruct the rationalization of the democratic system (McLean 2002).
– Chances of elite capture by ethnic, racial or social groups and corruption.
– Opaque decision-making, which includes a) seemingly arbitrary decisions that affect upwards and downwards accountability; b) constituents, villagers, communities not able to hold representatives accountable (due to incomplete information); c) patronage politics (excessive discretion to reward friends and punish rivals); d) civil servants may feel compromised frequently.

The balance between centralisation and decentralisation

As discussed in the preceding section, centralisation and decentralisation have their own advantages and disadvantages. Since these are not 'either-or' conditions, an appropriate balance of centralisation and decentralisation is essential for the effective and efficient functioning of the government at all levels. Not all functions can or should be financed and managed in centralised or decentralised fashion.

Central government often retains important roles like policy making and supervisory roles while decentralizing the functions and responsibilities to the lower level of government. The central level has the implicit role of creating and maintaining enabling policy environment that allow local units and other stakeholders to take part in governance activities with increased enthusiasm. The World Bank (2004) states that central level organisations (ministries and departments) often have to perform crucial roles in promoting and sustaining decentralisation by developing appropriate and effective national policies and regulations. Furthermore, the central level has the role of strengthening the capacity of local institutions to take the responsibility for new or decentralised functions. In addition, the success of decentralisation frequently depends heavily on training for both national and local officials in decentralised administration, democratic behaviour and culture. Capacity strengthening activities are often required not only for local governments, but also for their key partner institutions such as private enterprises and local non-governmental groups in participatory planning, local financing and management of decentralised functions.

Maintaining equality in the availability of resources, providing opportunities and distribution of equal benefits throughout the country fall under the responsibility of

the central level. The central level maintains these aspects using different policy instruments like equalization grants and other similar measures.

2.10   The contemporary planning theories and the topic

In this chapter, some contemporary planning theories are briefly reviewed for related planning models that can be linked to the research questions under investigation.

Different planning traditions

Friedmann (1996) categorizes the history of planning thoughts within the following four major traditions, each addressing the links between knowledge and action (table 18).

Table 18:   Planning traditions

Traditions	Description
Policy analysis	This tradition includes the planning thoughts related to systems analysis, welfare and social choice, policy science and public administration starting with the contribution of Herbert Simon (1945).
Social learning	This includes organisation development related thoughts starting in 1945, which is the modified version under the category of scientific management theory.
Social reform	This includes planning traditions related to sociology, institutional economics/ German Historical School and pragmatism thoughts. These thoughts date back to 1780s.
Social mobilization	This planning tradition includes thoughts of historical materialism, Frankfurt School of thoughts, Neo-Marxism and the more radical thoughts – utopians, social anarchist, and radicals.

Source: Adapted from Friedmann, 1996: 20-28

Healey (1997) categorically divides planning theories into three different traditions: a) Economic planning, b) Physical development planning, and c) Policy analysis and planning.

Economic planning

Planning theories under this category focus on managing the productive forces of state and/or regions with social consideration. Thus such form of planning links to social policies which together would form the framework of a 'welfare state' (Healey 1997: 10). The tradition of economic planning includes both the materialist and rationalist conception of a planned social order. It advocates both aspects - the processes of production and distribution which have to be planned in such a way that ensures efficient production, on the one hand and continuing growth and efficient distribution, on the other. Thus fair distribution of the benefits of growth is the major concern of economic planning tradition from social perspective. It had emerged with

both the economic failures of capitalistic market processes and their growing social costs (ibid: 10).

"The interest in economic planning arose in part from a general critique of the processes of industrial capitalism. Karl Marx mounts a devastating attack on the social costs of industrial development driven by the striving of capitalist entrepreneurs to maximize profits in competitive markets by exploiting people's labour and destroying resources" (Giddens 1987, Kitching 1988 in Healey 1997: 10). "The communist model was not the only one which proposed replacing capitalistic economic organisation. Many writers who saw problems in large-scale organisations outlined proposals for 'alternative lifestyles,' characterised by forms of self-governance" (Healey 1997: 12). Economists and political philosophers heavily dominate this planning tradition.

Physical development planning

The arena of physical development planning was shaped and then later dominated for many years by engineers and architects with utopian images of urban forms or an 'ideal city'. These cities were seen as an amalgam of economic, cultural and household activities. Therefore, the planning notion was to build a functionally rational city for economic and social life. In this era, technical knowledge was at the dominating position of planning and the planners largely ignored implementation, social, political and other crucial elements of planning and development.

By the late 1960s, the physical development planning tradition was heavily criticised specifically for the following features (ibid: 19-21):

– Technocratic domination and over-confidence of the planners,
– Lack of social scientific consideration in planning,
– Ignoring the dynamics of urban changes that the planning ideas set out to manage,
– Too much focus on 'materialist rationalism.'

Despite the resistance and strong criticism, there are some positive aspects of physical planning tradition that influenced the architecture of recent planning dynamics and development process. These include growing interest and adopting building codes, strategic development, regulation and development control. Land-use planning, zoning, preparation of codes and setting service standards are some of the examples of the positive impacts of such planning tradition. Thus this tradition contributed significantly in making development intervention more organised, with stronger urban perspectives which are still valid and functional to a large extent.

Policy analysis and planning

This category is very close to public administration and policy analysis approach of planning. This planning tradition aims to achieve both effectiveness and efficiency in meeting explicit goals and objectives of public agencies.

The science of policy analysis grew from American origin and expanded in search of ways of making public administration more efficient and effective. This tradition provides a point of reference for any planning culture open to American influence (ibid: 23).

A policy driven planning style of governance is not likely to promote exclusionary practices unless it occurs within a sympathetic governance culture. Planning is

thus more than the translation of knowledge into action as proposed by John Friedmann (1987). "Planning as a policy-driven approach to the practice of governance which is both knowledge-rich and inclusionary has a part in all the evolving governance forms. In the criteria driven approach, it becomes a form of urban and regional economics, focused on the development of methodologies for policy evaluation" (ibid: 241).

As planning has direct connection with politics and ideology, planning is defined and practiced differently by different states corresponding to their own political as well as socio-economic contexts (Meshack 1992: 28). "Policy driven styles of governance and planning approaches are only likely to flourish in particular modes of governance, a recognition that writers on planning systems have long been aware of" (Braybrooke and Lindblom 1963, Dyckmann 1961, Bolan 1969, Etzioni 1968, Christenson 1985 in Healey 1997: 230). In this context, Healey notes "Planning, as a policy-driven, coordinative, knowledge-rich and future-oriented approach to governance processes, associates most comfortably with the models of representative democracy and corporatism. These provide both a stable consensus around which policy programmes can develop and a way of developing a 'unitary' conception of the 'public interest' with which to develop policy directions" (Healey 1997: 231).

The changing paradigm of planning: from public administration to governance

Different planning traditions discussed above show that planning paradigms have been changed rapidly. In the 1970s in US and Western Europe, the planning discussions questioned contemporary planning models - a) pluralistic polity, and b) instrumental rationality. The first was most strongly developed particularly in Europe. It focused on "Marxist inspired theories to analyze the structural bases for the unequal distribution of power" (Castells 1977). The second was "planning from several directions and reflected a much broader questioning of the role of science and instrumental reason in Western thought generally" (Healey 1997: 27).

A central contribution to planning theory from the traditions of public administration was made by Herbert Simon, whose early concept, 'Administrative Behaviour' dealt with the bureaucratic process from a behavioural perspective that stressed conditions limiting rationality in large organisations (Simon 1976 and 1945 in Friedmann 1996: 11). Thus "the equation of rationality with optimization was broken by Herbert Simon's ideas about bounded rationality" (Simon 1957 in Forester 1993: 6-7). Simon argues that real constraints of decision-makers' own information-processing abilities led to 'satisfice' instead of to optimize to meet expectations. According to Simon, expectations could be satisfied rather than optimized, given the reality of unavailability of perfect information.

In planning and administrative theory, such 'bounded' rationality has long appeared to be virtually natural: we cannot really optimize, we have to 'satisfy' instead (Friedmann 1987, Denhardt 1981 in Forester 1993: 6-7).

Planning from below or planning from above: a long-standing debate

The concept of planning from below or above is a subject of long-standing debate in planning discussions. Positive and negative aspects of both approaches are discussed

in the following paragraphs in search of finding appropriate balance between both approaches.

Planning from below

Basically speaking, planning from below is based on the philosophy of developing institutions to enable them to address felt needs to improve the situation at local level. Planning from below (bottom-up planning) helps local institutions to be capable of mobilizing natural, human and institutional resources so as to satisfy the pressing needs of the people. When local institutions plan at the local level, they generally address the most pressing needs and they have a tendency to mobilize local resources as much as possible instead of depending on regional or central level. Planning from below is one of the ways which can help the poor to have a share in the utilization of national resources for their own development (Friedmann 1979 and Cheema 1983 in Meshack 1992: 15).

Such a planning arrangement provides opportunity for the local institutions (including people) to develop their capability of managing local economy and community life through the help of planning as instruments (Meshack 1992: 51). He describes the following obstacles of planning from below (table 19).

Table 19: Obstacles of planning from below

Major obstacles	Description
Political constraints	Weak political commitment, elite's control on planning and resistance of central bureaucracies are the major constraints of the bottom-up planning process. Government resources are politically distributed.
Administrative and operational constraints	Administrative values, interests, motivation and interpersonal relationships fall under this category, which are mostly not conducive to planning from below.
The laws and interpretation	The laws enacted to establish local government determine its powers and functions. It determines the modality of decentralisation (deconcentration, delegation or devolution) and ultimately shapes the local government.

Source: Meshack, 1992: 41

Meshack (1992) highlights the general constraints of bottom-up planning (table 19), however, undermines the human factor, which is most critical factor of planning. It is a fact that in developing countries, many government employees are quite well trained but performance is not measured in a result-oriented manner and they are under paid. The horizontal and vertical structures of planning are not properly integrated and supported by a reliable information base. These factors, together with the centralised tradition of planning and development are coupled with the dominance of the sectoral approach to planning. These cast a negative effect on bottom-up planning.

Planning from above

Planning from above mostly takes place more in technocratically dominated planning practices. It has roots in "neo-classical economic theory and its rational manifestation in the growth centre concept." The development concept, supported by the planning from above approach, is based on external demand and innovations as the generator of development […]" (Meshack 1992: 21). "Planning from above was introduced in most developing countries in the 1950s as a means of providing rational and coherent policies for using scarce resources effectively to promote rapid growth in industrial output" (Cheema 1983: 10 in Meshack 1992: 21). Arguments in favour of central planning were mostly for national integration and for rapid transformation and development as summarised by Meshack (1992: 21). In this argument, planning controlled by central authorities was considered an effective mechanism for rapid transformation (ibid: 22).

Planning from above or below: finding proper balance

In both arguments, planning is narrowly defined and considered only as an isolated exercise focusing more on planning as a systematic exercise. Most crucial elements of planning and development, including political aspects of democratic process, local initiatives, community ownership and sustainability, are not properly considered in these arguments. In the holistic view, planning is an important part of democratic process in the governance perspectives.

Meshack (1992) notes: "[…] experiences gained as a result of the abuse of economic planning from above have acted as a valuable encouragement to find better ways to achieve development which emphasizes social justice. It has broadened the approach to development to include not only the improvement in material and social well-being of the society as a whole, but also the need to reform the institutional framework. An example is access to education, health and welfare facilities and greater political participation in the national decision making process. This can be possible only when the concept of planning from below is adopted" (ibid: 23). He further argues: "It is important to stress that there must be clear demarcation between areas where the local authority can exercise full autonomy and where not there must be legal justification and reasons on the grounds of efficiency what the centre should control a certain local government action. If such checks are not made then the local councils lose relative autonomy in decision-making" (ibid: 44).

To summarise, there must be proper balance between bottom-up and top-down planning. In recent years, local planning is considered a democratic exercise and the plan is a political document, thus both process and outcome are embedded in the political realm. Clear decentralisation, legislation and supportive attitude of the central level are necessary to institutionalize and strengthen the bottom-up planning in a more balanced way. In this context, however, Meshack shares frustrating experiences in the African context: "Many studies of local government in Africa have concluded that the central agencies have not been willing to support decentralisation" (ibid: 47).

Participatory planning: a people-centred democratic exercise

Going by general sense in the policy analysis tradition, planning is understood as a style of governance. Conceptually, participatory planning is closer to a governance approach that demands active involvement of multi-stakeholders in the affairs of common concerns. It is a dynamic process that actively involves multi-stakeholders. It is generally carried out near to the area where the problem arises. In what could be the attributes of inclusionary democratic process, participatory planning fosters democratic values and cultures at local level. As people are involved as active players, it helps develop a high level of ownership in development activities and increases transparency in planning and programming.

Participatory planning is based on dialogues between and among different stakeholders. It is a process-oriented approach which blends the expertise of planners with experiential knowledge of local citizens. In the process, both types of knowledge are combined and transformed into collective action. In a way it is a social learning process, which treats development as a sociological process. It helps create enthusiasm in the community that leads implementation to be effective and efficient.

Participatory planning concept is based on the philosophy that people in general have the following inherent aims:

– They seek knowledge to enable them to improve their own situation,
– They desire freedom in which they can engage in a productive activity,
– They wish to organise themselves in autonomous, social groupings in order to gain access to services, to acquire social security and to exercise their rights.

Decentralisation encourages the stakeholders' participation in the affairs of state in a more responsible manner. It enables planning to be defined in a much broader sense than a simple development tool. Once stakeholders' participation is achieved in a true sense, the planning becomes more a discursive social process to accomplish expected results driving towards a desired future. At this stage, decision-making depends not only on formal structures but also on established practice. Furthermore, it allows a range of people in diverse institutional relations to come together to make plans and develop strategies for managing local life and territories.

The need to consider planning as part of a political process and the starting point of participatory planning was realized in the late 1970s as Levin (1976) notes: "[…] for proper planning to take place, there is need to strengthen and integrate the three important elements of planning, namely the administrative, technical and political processes. Different elements assume significance according to the perspective from which planning process is viewed" (Levin 1976 in Meshack 1992: 33).

Communicative focus in planning

Forester (1993) explains how policy analysis, planning, and public administration are interlinked. Specifically, he advocates planning from more practical and communicative perspectives as 'communicative action.' He explains 'communicative action' as a move from technical/instrumental to more socio-political, practically sensitive and process-oriented planning. "Communicative approach in planning theory captured the

notion of planning strategies, policies and their implementation as active processes of social construction, that is, the human invention" (Healey 1997: xii).

Table 20 summarises the changing planning features that show a shift away from the instrumental to the more practical and communicative (Forester 1993: 28):

Table 20: Shift of planning practices

Instrumental	to	Practical-communicative
Processing information	⇒	Shaping attention
Problem solving	⇒	Problem reformulating
Seeking detachment to future objectivity	⇒	Seeking criticism to check bias and misrepresentation
Gathering facts	⇒	Addressing significance: gathering facts that matter and interact
Treating participation as a source of obstruction	⇒	Treating participation as an opportunity to improve analysis
Information decisions	⇒	Organising attention to formulate and clarify possibilities
Supply a single product, a document with 'answers'	⇒	Developing a process of questioning possibilities, shaping responses and engagement
Reinforcing political dependency of affected persons	⇒	Fostering meaningful political participation and autonomy
Passing on 'solutions'	⇒	Fostering policy and design criticism, argument, and political discourse
Abstracting from social relations	⇒	Reproducing social and political relations

Source: Forester, 1993: 28

According to Forester (1993: 29), "planning and policy analysis practices as communicative action provide a conceptual (and researchable) bridge" from different perspectives:

- analysis to implementation (via the shaping of attention),
- information to organization (via the shaping and reproduction of political identity),
- cognition to action (via the claims-making structure of communicative action), and

- analysis of abstract meaning to pragmatic assessment of practical professional activity.

Sharing of power and collaboration

"As Lukes (1974 in Healey 1997: 59) argues the visible power of formal government decision-making arenas is always complemented by the informal and less visible ways in which power and influence is mobilized. This less visible, informal power, in Lukes' model of three dimensions of power, is not just behind-the-scenes manipulation. It is also embedded in the thought-worlds of the powerful. Governance process themselves generate relational networks which may cut across or act to draw together and interlink the relational webs of the life of households and firms."

The notion of collaboration is a process of sharing power which takes place in a diverse or multi-stakeholders' world. Collaboration helps bringing a holistic view to the agenda and helps develop mutual confidence and trust between and among stakeholders. Effective collaboration does not take place unless responsibilities and power are shared among partners, which needs clear role definition, good communication, close coordination and continued interaction. A precondition for collaboration is mutual interest, shared vision and understanding among stakeholders which are the motivating factors of collaboration too.

Collaborative planning practices in a multi-cultural world

Healey (1997) introduced collaborative planning practices to integrate multi-stakeholders in the multi-cultural society. Healey builds on the collaborative planning which considers all formal and informal processes and involves stakeholders through which collective affairs are managed. "This concept is considered more appropriate for today's fragmented and multi-cultural society consisting of a complex web of relations between individuals, communities and institutions" (Lückenkötter in Westholm et al. 1999: 234). "Public policy and hence planning are thus social processes through which ways of thinking, ways of valuing and ways of acting are actively constructed by participants" (Healey 1997: 29).

Bryson and Crosby (1993) provide a rich interpretive conception of strategic policy processes in a world of multiple players. The idea is grounded in social theories emphasizing how power relations infuse assumptions, routine practices and conflicts of interests. Strategy-making is thus an effort in transforming structures and changing power relations (Bryson and Crosby 1993 in Healey 1997: 261).

Consensus building among stakeholders is very important to collaborative process. The consensus building process is time-consuming, needs patience and may involve significant resources. However, the process itself can be effective for empowerment and a powerful form of social mobilization. Healey argues that the approach focuses on transformative work and the mobilization of power through communicative work (Healey 1997: 263-265). Consensus-building process builds trust, strengthens understanding and creates new power relations among different stakeholders. It results into generating social, intellectual and political capital that can endure beyond the particular collaborative efforts. However, sometimes achieving consensus on problems, policies, process and strategies may not be easier through collaborative dialogue. Such cases require careful attention to the communicative contexts in which collaborative dialogue takes place. What is crucial is the routine

and style of dialogue. All these create and carry power (Innes 1994, Innes et al. 1994 in Healey 1997: 264). Healey argues that inclusionary argumentation can be effective when there are difficulties in reaching any consensus among stakeholders. In the inclusionary argumentation, according to Healey, stakeholders need to agree at the starting point as to how disagreements should be addressed and how to keep the agreed processes under critical review. They also need to pay attention to the terms in which challenges to processes and decisions are to be discussed clearly (Healey 1997: 263-265).

To briefly encapsulate, it is now widely understood that planning is an interactive process that is undertaken in economic, political and social contexts. It is not a purely technical process. It took more than three decades to realize that planning was an interactive political and social process. Thus the scope and perspective of planning evolved since the 1990s have been gradually streamlined with democratisation process. These changing dynamics of planning were accelerated with the global wave of the public sector reform through decentralisation. Such dynamism opened up avenues and exposed different institutions in multiple realities in dealing with public affairs in decentralised contexts. Thus Giddens (1984, 1986), Friedmann (1992), Forester (1993) and Healey (1997) and other contemporary authorities give a broader scope to planning by blending it with politics and 'governance' concept.

The changing role of government

There are a number of different ideas defending the role of government. Healey describes: "Neoclassical economists argue that government comes into existence only as a result of failures of economic system. Marxist political economists argue that the state is either a creature of capital or the product of class struggle between capital and labour" (Healey 1997: 207). Stoker and Young (1993 in Healey 1997: 209) argue, "[…] government must shift from a role and style appropriate to the welfare or 'provider state' to that of a 'strategic enabler,' framing and promoting the activities of business and citizens."

Governance, as collective management of common affairs, involves not only the government's institutions in the public affairs but also all formal and informal institutions as stakeholders. "Governance involves the articulation of rules of behaviour with respect to the collective affairs of a political community; and of principles for allocating resources among community members" (Healey 1997: 206). Governance encompasses complex interactions among formal government institutions, economic activities and social life that are "interlinked through social networks and cultural assumptions and practices which cut across formal organisations. Thus ideas from a business or social arena are drawn into the development of policy ideas and help to frame assumptions about government practices and vice versa. Further, forms may change the way they behave in response to government initiatives and people may change what they do as a result of what governments do" (ibid: 207).

Healey concludes, "[…] governance is not the sole preserve of government. We are all involved in some way and have experience of managing collective affairs. This experience though largely neglected by those writing on politics and planning, provides a resource through which new forms of governance can be invented. Governments, however, have distinct remits and particular organisational arrangements

and ways of working or *routines* and *styles*. How these mesh in with the other social relations of a society varies in time and place" (ibid: 210).

Healey refers to planning and planning agencies in the governance context. "As a government activity undertaking regulatory work in highly contested contexts, spatial and land use planning agencies are at the sharp end of many of these pressures. […] so far, governance has been discussed as a general process, the management of collective affairs. But any governance effort embraces both policy development and the delivery of programmes; on the one hand, the articulation of the purposes of governance and the making of strategic decisions about directions and key actions, and on the other, the organization of programmes to deliver what has been agreed upon. Policy and planning are terms used to describe particular styles of governance activity, and may also focus attention on their content. Politics, administration and management are used to describe governance activity" (ibid: 211).

The changing role of planners in participatory planning context

As functions of state and government have been changing over the years, role and functions of planners, too, have changed accordingly. "Traditionally, planners assumed people were more or less the same – a standardised unit" (ibid: 99). The assumption behind this was that standardised individuals had standardised or similar needs. In this era, planning was modelled in such a way that fulfilled the standardised need of population in the area. Human feeling and social dimension were largely underestimated in this traditional approach to planning. In recent years, the role of planners has been redefined as development facilitator. Forester (1993: 25) explains planner's role in the communicative action model of planning: "the planners' actions shape others' expectations, beliefs, hopes and understandings even though planners do not strictly control any of these outcomes. The planners' work may be threatening to some but promising to others, for action shapes meaning (Marris 1987, Berger and Luckmann 1966 in Forester 1993: 25). Planners know this, of course, and they try to anticipate such effects. In community meetings, for example, people often take planners to mean more than they intended, even though the planners may have had only the 'best of intentions.' Even a planner's deliberate silence in a meeting may be meaningful and make practical difference to the flow of events and citizen's participation" (Forester 1993: 25).

Forester further explains "[…] planner's work has to be meaningful to others; it has to 'make sense' to other people, no matter how technically rigorous or correct it may be on its own technical merits. 'Being practical' in planning, therefore, should not be confused with 'being technical.' Mistaking either for the other may well endanger both. Distinguishing and cultivating both technical and practical planning skills represents a major challenge for planning education or, more precisely, for planning educators to address systematically" (ibid: 25).

Traditional planners prefer using development and planning jargons to demonstrate that they are well trained and qualified planners. However, facilitator planners have to avoid jargons as much as possible, "the more jargon in planning, the less public understanding, accessibility and possibility of meaningful action or participation" (ibid: 26). Furthermore, collaborative planners need to have more patience, multi-cultural competency and a sense of respect for all ethnic and cultural groups.

2.11 Theoretical concepts applicable to the Nepalese context

The relevance of contemporary theory and concepts reviewed in the earlier chapters are important elements for the current research. The inter-relationship and dynamics of power and participation are the central theoretical concerns of this study. It may be said here that Flyvbjerg's 'rationality and power,' something which is associated with practicing planning and democracy at the local level, is closely related to the current new democratic practice in Nepal and the research questions in particular. Other literatures related to democracy, planning, power and participation are reviewed extensively, which help in understanding the evolution process, dimensions of power and participation from different perspectives.

Decentralisation and local governance are now essential axes of political, administrative and development policy of Nepal. However, there is ambiguity in conceptual understanding of decentralisation and in the related legal frameworks. More specifically, the conflicts between different models of decentralisation – deconcentration versus political decentralisation that links ultimately to the dynamics of power and participation are relevant theoretical concepts in the Nepalese context.

Since participation encourages sharing of power which, in turn, challenges the functions and responsibilities of elected representatives and bureaucrats, it does not take place easily in practice. This explains why participation and sharing of power are the central questions of governance in a society like that of Nepal. Meanwhile largely because political leaders harbour a conception of a representative type of democracy, they have a feeling that stakeholders interfere and challenge them over planning and management authority. Representative democracy which is currently dominant model in Nepal has been unable to be inclusive enough in the fragmented (ethnicity, caste, cultural diversity) Nepalese society. It led to the problems in internalizing participatory planning and operating local governance. In this context, collaborative planning – the inclusionary argumentation in particular – gains relevance in practicing participation in planning.

Figure 9:   Theoretical concepts applicable to the Nepalese context
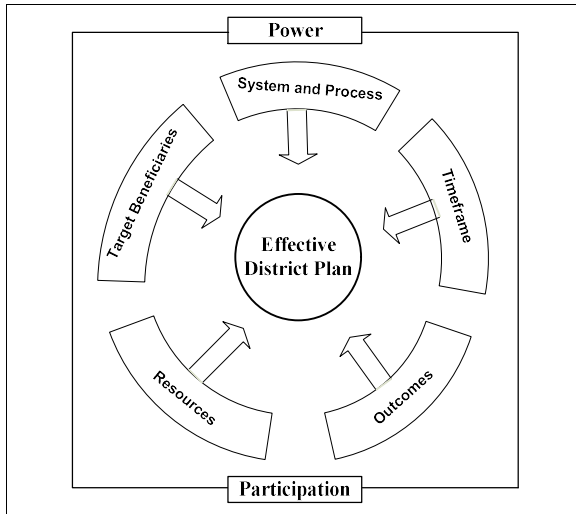
Source: Author's construct, 2002-2003

Figure 9 presents the specific focus of the research in relation to the theoretical discussions made in this chapter. As shown in the figure, in practical terms, all policy, institutional and behavioural issues culminate in the effectiveness of the district plan as it relates to the focus of the present research.

The parameters for measuring effectiveness of plan prescribed by Benveniste (1989), as discussed in the last section of chapter 2.2, provide the conceptual basis to measure the implementation gaps. The power and participation form the theoretical foundation of this research.

3. Decentralisation in Nepal: capturing empirical knowledge

This chapter reviews decentralisation efforts made in Nepal in light of the theoretical discussions of the previous chapters. Nepal's governance system, administrative structure, socio-cultural factors and past experiences constitute the main components of this discussion.

It is generally claimed that Nepal has a four-decade long experience in decentralised governance. However, the concept of decentralisation and participatory development does not have a long history in serious terms given the ground reality. While decentralisation topped the agenda of administrative reform over three decades in Nepal, it was, however, missing in substance. Why did this happen for such a long time? The answer is not straightforward. The reasons include historical, political, administrative and socio-economic as well as cultural factors.

3.1 Driving forces of decentralisation in the Nepalese context

Various factors have played their role to goad successive governments to stick to decentralisation as a policy of governance. Perhaps the most significant factor was the mounting dissatisfaction with centralised approaches following the failure of the central level service delivery in the past.

Internal factors

Nepal's social and cultural practices

Nepalese society has been socially organised for many years. Traditional social institutions include *Guthi*, *Samaj*, or other associations guided by locality and ethnicity. These institutions are still vibrant and play a role in some ethnic societies. *Thakali, Gurung* and *Newar* communities still demonstrate ties with such vehicles of association. The social norms and rules outlined centuries ago are still obeyed and they continue to integrate their societies and promote collective well-being with mutual cooperation. In some of these societies, people still choose their leader (for 1-3 years) in a very democratic manner either through election or on consensus basis. Most of the social issues are sorted out in these societies. These long-standing social and institutional practices indirectly help develop an in-built desire for local governance in Nepal, which emerged in the 1950s, but picked up momentum only in the 1990s.

Nepal's own internal geo-societal realities

Nepal has very uneven population distribution, with settlements scattered in the northern mountain region, the hills and small valleys and the southern plain (Terai) region. It is nearly impossible to manage state affairs centrally in such a diverse geographical setting which is further complicated by multi-ethnic and multi-cultural social realities. This sharpens the need for decentralisation of state affairs in Nepal.

Failure of centralised governance system

A centralised system of governance, with its 'one-size-fits-all approach' has not been able to adequately respond to the development challenges of Nepal. Furthermore, service delivery cost is very high when it is handled from the centre because of scattered settlements and poor accessibility. It is obvious that the centralised system is behind the failure to deliver public services effectively and efficiently at the local level. This is, incidentally, something which has pointed to decentralisation as a single alternative strategy for management of state affairs at the local level.

Democratic desire of people and popular movement of 1990

Democratization is the major driving force of current decentralisation initiatives, starting with the political movement of the 1990s. Other existing forces were either allied with the democratization movement or were silent approaches. Decentralisation was taken in a broader democratic framework (macro perspective) while emphasis was laid on shifting responsibility from formal institutional perspectives.

The popular movement of 1990 made the people aware of their political rights. Moreover, it emboldened them to demand their governance rights as a part of local democracy and means to practice sovereignty of the people. The way was led by the Constitution of the Kingdom of Nepal, 1990 when it recognised decentralisation as a prime governance approach and a vehicle to bring the fruits of democracy to the people as one of its guiding principles.

External factors

Changing role of government: global phenomenon

The changing global political climate also has encouraged Nepal to strengthen local governments with more power and resources. As people become more educated, better informed through improved communications and more aware of the problems of central bureaucracies, they desire to bring the control of government functions closer to their neighbourhoods.

Positive role of donor community and rapid growth of civil society

After 1990, civil society started growing very rapidly in Nepal. This trend together with the donor community's positive role towards working at local level in a more decentralised atmosphere has also played a vital role for the decentralisation movement in Nepal.

Social exclusion and conflicts

Nepal, as has been described above, is a country of ethnic and cultural diversity. Nepalese are very proud of their ethnicity and diverse cultures. Equal social, cultural and political rights and equal respect to each social group are to be maintained as their fundamental rights, not as gratis. However, access to political, economic and administrative opportunities is not equal for all the social groups. There was a hope in the 1990s that equal access to opportunity and equality would be promoted under multi-party democracy. However, political leadership has not been able to give

proper attention to inclusive democratic practices. Proper attention has not been paid to crucial social and other delicate cultural aspects. Thus the present conflict situation caused by the Maoist insurgency is not only a product of political and ideological movement, but is also largely associated with dissatisfaction and reaction towards a centralised system, poor governance, exclusive democratic practices, growing unemployment and mass poverty. This situation has been pushing central authorities to realize and concede the pitfalls (i.e. centralised and poor governance) of the current practices, which has further pushed for more decentralisation and more autonomous local governments in the future.

Decentralisation has not been seriously taken from the perspective of individual, social and democratic rights yet. This is one of the reasons that the decentralisation movement could not fully address the issues of diversity and social inclusion.

3.2   The decentralisation efforts in Nepal: a historical overview

This chapter discusses decentralisation in Nepal from an evolutionary perspective: from the historical autocratic era to modern democratic practices. Historical perspective is briefly described and the current efforts toward decentralisation are discussed in detail.

Highly centralised autocratic rule: Rana oligarchy (1846 – 1949)

Nepal's history of successive autocratic and centralist regimes spanning more than two centuries goes back to the year 1768 when Prithvi Narayan Shah unified the scattered small principalities into one modern nation. The monarch ruled with absolute power till September 15, 1846 when Jung Bahadur Rana took over the regime. What followed was the absolute Rana oligarchy for 104 years. There was no representative government and rule of law while successive Rana Prime Ministers controlled the affairs of the state. The monarch was just a 'rubber stamp' having no political, administrative or ruling powers at all.

Transitional period of democracy (1950 – 1960)

The autocratic Rana oligarchy gave way in 1950. While much remains to be achieved, the overall policy of the successive regimes since 1950 has been supportive of the concept of decentralisation.

The country had no institutional, legal basis or groundwork when it saw the advent of democracy in 1950. Slowly but surely, Nepal created a legal and administrative framework over the years. The first parliamentary elections were held in the year 1958. The Nepali Congress, a centrist political outfit, swept the polls with a two-thirds majority before legendary B. P. Koirala became the first popularly elected Prime Minister. However, King Mahendra took over power and introduced the partyless *Panchayat* system within less than two years.

In the 1950s, two Acts were promulgated to establish local government units and they were the Municipality Act of 1953, and the Village Act of 1956.

Partyless *Panchayat* regime (1960 – 1989)

The year 1960 saw King Mahendra seizing power and dissolving parliament, suspending the constitution and banning party politics before throwing the elected leaders behind bars.

The year 1962 saw a new constitution which promoted a non-party system of councils known as *"Panchayat"* under which the king exercised power in an undisputed manner. The first election of the *Rastriya Panchayat* (parliament) was held in 1963 under an autocratic regime. The king was placed above the constitution, wielding executive, legislative and judicial power. The period was marked by highly centralised political, financial and administrative authority. The Village Panchayat Act of 1961 and the Town Panchayat Act of 1962 replaced the existing Village Panchayat Act and Municipality Act, respectively.

Efforts made towards decentralisation in the thirty years of the *Panchayat* era (1960-1989) have been summarised in table 21.

Table 21: Summary of decentralisation experiences and efforts during *Panchayat* era

Year	Description
1963	*High Level Administrative Power Decentralisation Commission* The Commission gave four principle-based recommendations for devolution of authority and functions based on the following principles: - Those authorities that need good information on local realities to take decisions. - Those functions that help reduce distance for general people to get public services from the government institutions. - Those authorities that need to be used according to the wishes of the people. - Those functions which need greater public participation to carry out.
1965	*Decentralisation Plan: Prepared to implement the recommendations of High Level Administrative Power Decentralisation Commission* This was a twelve-year plan divided into the following different phases First phase: - Basic legal and administrative arrangement to dissolve the position of *Bada Hakim* (District Magistrate). - Recommendation to create 75 administrative districts and 14 Zonal Commissioners' Offices. Second phase: personnel and other necessary arrangements for decentralisation of basic development functions to local bodies. Third phase: decentralisation /delegation of authority (agriculture, health, education, cottage industries, supply, etc.) and decentralisation of financial arrangements: *Panchayat* development and land tax scheme.

Year	Description
1965	*Local Administration Act*
	- Existing 35 districts were dissolved and 75 administrative districts and 14 Zonal offices were formed.
	- The position of *Bada Hakim* was dissolved and positions of Zonal Commissioner (*Anchaladhish*) in each zone and Chief District Officer (CDO) in each district were created. The CDO was assigned to work as the Secretary of *District Panchayat.*
1967	*Decentralisation Committee*
	- Delineated authority to be delegated to *District Panchayats*
	- Defined relationship between Chief District Officer (CDO) & *District Panchayat*
1968	*Administrative Reform Commission*
	The Commission gave its reports in different phases focusing on administrative reforms: First report in 1968, Mid-term report in 1969 and third report in 1971.
	It was focused more on administrative reform addressing little administrative decentralisation.
1969	*Decentralisation Committee*
	It gave different recommendations to improve decentralisation policy and initiated administrative reform.
1971	*Local Administration Act*
	- Creation of Panchayat Development Officer (PDO) position for development affairs, implementation of *District Panchayat*'s decisions related to development and coordination.
	- Maintaining law and order were assigned to Chief District Officers (CDOs).
1974	*District Administration Plan*
	- Start of integrated district administration: all district offices were kept under CDO office as branch offices.
	- Institutional development of *Village Panchayats* - arrangement of Multiple Development Worker cum Village Panchayat Secretary
1975	*Administrative Reform Commission*
	- It was mandated to prepare detailed reform agendas for administrative reform.
	- Based on its recommendation, integrated *Panchayat* development was initiated in 1978

Year	Description
1980	*Establishment of Ministry of Local Development*
	- Introduction of concept of Consumers or Users Committee
	- Establishment of service centres at sub-district level for delivery of services
	- Arrangement of Local Development Officer (LDO previously known as PDO) as Chief Development Coordinator cum Secretary of *District Panchayat*
	- Design and implementation of integrated rural development projects
1981	*Decentralisation Sub-Committee and Higher Level Decentralisation Sub-Committee*
	Both committees identified problems related to decentralisation and provided recommendations to solve the problems of decentralisation and local development
1982	*Decentralisation Act*
	It reorganised district level line agencies as branches of *District Panchayat* Secretariat.
1984	*Decentralisation Regulations*
	It made effective implementation of Decentralisation Act, 1982 after 2 years

Source: Adapted from Dhungel et al., 2004

Table 21 gives the impression that Nepal has more than four decades of history of decentralisation. However, it is not that long in terms of sincere practice. Successive years have seen a series of efforts forming several committees and commissions and the drafting of several plans – and recommendations. The authorities formed either a commission or a committee in almost every 2 to 3 years.

Decentralisation Act, 1982 and Regulations, 1984

The Decentralisation Act, 1982 and the subsequent Regulations, 1984 were significant efforts towards administrative decentralisation. These will be described in the subsequent section.

The growing pressure and continuing realization of the need for decentralisation culminated in the Decentralisation Act, 1982. Two years later, in December 1984, the by-laws or related regulations were adopted, thus paving a way for the enforcement of the Act. The Decentralisation Act, 1982, promoted de-concentration of functional responsibilities to the districts, as it was initially envisioned to be the first comprehensive effort towards Decentralisation.

Decentralisation in the *Panchayat* system

In the *Panchayat* era, the king directly ruled the country heading the *Panchayat* System in a much centralised fashion. Decentralisation was always one of the reform agendas of the administrative system, while political parties were under a ban. The role of local bodies was confined to implementing the central level's decisions. Thus, they were more like obedient sub-ordinates to central authorities.

A series of commissions and high-level committees were formed and several plans were prepared (more than nine), but the recommendations were never implemented in a true manner. Thus, it is obvious that the series of efforts were essentially a propaganda tool to impress the domestic political environment and international communities. Decentralisation efforts were made as administrative tactics to manage central power at the local level.

Central level organizations were extended down to the grassroots level. Service delivery was managed through sectoral service centres at the sub-district (Ilaka) level. Suffice it to say that the *Panchayat* period saw different forms of administrative decentralisation which were basically delegation and de-concentration of limited administrative authority.

3.3   Nepal towards democracy: the restoration of the multi-party system in 1990

It must be said here that democracy was not fully put into practice in Nepal before 1990. While it was introduced for the first time in 1950-1951, it was, however, soon derailed without creating any institutional foundation which could leave room for democracy except for the fact that the nation saw a constitution in 1958. Dhungel (2004: 26) notes that the provisions of 1958 constitution, however, were silent on decentralisation.

The year 1990 saw the restoration of multiparty democracy following a popular movement. Since the 1990s, decentralisation has become a key political and development theme. The new constitution, which was the third constitution in the series, upheld the policy of decentralisation apart from setting the pace for political, administrative and overall public sector reform. The new constitution considers decentralisation as the primary strategy to ensure the involvement of the people in the governance practice and installing democracy and development down to the grassroots level.

The World Bank (2004) notes that the constitution, laws and regulations of the country codify the formal rules of the governance by which the system operates accordingly. "Structurally, the desirable architecture of these rules is quite straightforward: the constitution should be used to enshrine the broad principles on which decentralisation is to operate, including the rights and responsibilities of all levels of government, the description and role of key institutions at central and local levels, and the basis on which detailed rules may be established or changed."

3.4   Current legal framework of decentralisation in Nepal

The Constitution of the Kingdom of Nepal 1990

The Constitution of the Kingdom of Nepal, 1990 is the product of the popular movement of 1990 that restored democratic pluralism and people's sovereignty. The constitution reintroduces democratic rule, recognizing the rights of the people to participate in affairs related to their own life. The constitution in question has enshrined a decentralised system of governance as a guiding principle of state policy. It clearly emphasizes decentralisation as the means to ensure optimal participation of the people in governance so that they enjoy the benefits of democracy. Directive Principles of the State, Article 25 (4) of the Constitution runs:

"It shall be the chief responsibility of the State to evolve and maintain suitable conditions so that the people get to enjoy the fruits of democracy through wider participation through decentralisation […]."

Thus it suggests that the constitution has envisioned and internalized decentralisation as one of the fundamental strategies for the promotion of participation which alone could be instrumental when it comes to ensuring the fruits of democracy for the people. From the constitutional point of view, however, "the status of local government and decentralisation can be termed as a weaker version of the actual concept of decentralisation because there is no specific articulation about organisational framework and competencies in the basic law of the land" (Rai 2004: 13). Now it has been realized by civil society and political parties that there should be a clear provision related to local governance in the constitution.

The current political system

Nepal is a unitary state. The country's political system is a parliamentary democracy[3] with a constitutional monarch as provisioned in the constitution of Nepal (Rai 2004: 12). The government is accountable to the parliament, which consists of two houses. The lower house is called the House of Representative with 205 members who are elected largely by the people every five years. The upper house is the National Assembly, with a total of 60 members. Among them, 15 members are elected by the Electoral College consisting of the Chairs and Deputy Chairs of VDCs, Mayors and Deputy Mayors of Municipalities, Presidents, Vice Presidents and Members of DDCs. Similarly, 35 members (including at least three women) are elected by the Electoral College of members of the House of Representatives and the Constitutional King nominates 10 members.

Nepal has a two-tier local government system. District level (first tier) local government is called the District Development Committee (DDC) and the second lower tiers are village and municipal levels (figure 7). These entities are called Village Development Committee (VDC) and Municipality, respectively (see chapter 3.5 for details).

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[3] It has to be noted that there is no elected parliament in Nepal since May 2002 and the constitutional monarch has taken the power in his hands and declared a state of emergency on February 1, 2005. However, while the constitutional course is yet to be restored, the affairs of the state are avowedly being guided along under Article 127. It is assumed here that the current political, legislative and executive bottlenecks are a temporary phenomenon.

Local Bodies Act, 1991

Three separate Acts (District Development Committee Act, Municipality Act, and Village Development Committee Act) were passed by the democratically elected parliament in 1991, which replaced the previous Acts and Laws regarding decentralisation and local governments. However, these legal arrangements were highly criticised by political parties, emerging civil society, external development partners (donors' community) and intellectuals. The targets of criticism were in the following aspects (Shrestha 2002: 3):

– The principle of local self-governance was not explicitly taken into account and local government institutions were still perceived and or practiced as extended hands of central level, not as genuine local governments,
– Not enough local autonomy guaranteed by law,
– Not enough expenditure and taxing power were devolved,
– The disadvantaged sections of society, civil society, NGOs and private sector players were not explicitly brought into the local governance framework as per the pluralistic decentralised governance.

High Level Decentralisation Coordination Committee, 1996

Taking serious cognizance of the concerns and issues, the government had in 1996 formed a high-level decentralisation committee under the coordination of the Prime Minister. Similarly, a high level working committee was also formed to assist the high level committee. It made recommendations to the government which culminated (mainly) in the enactment of the Local Self-Governance Act which was passed by the parliament in 1999.

The efforts surrounding the law were marked by raging debate in parliament and concerned parliamentary committees. The issue that kicked off the debate was: how best to keep the line agencies at the district under the framework of local government? However, the issue remained unresolved and the LSGA is thus silent on the crucial issue. This explains why the local government functioning at the district level is not much up to the desired level. The parliament could not reach the desired decision on the issue of line agencies due to the limited vision of political parties and their vested power interests. Each party feared the other's political position and thus came up with weak legislative provisions.

The Local Self-Governance Act, 1999 and Regulations

Despite the weaknesses discussed above, the current decentralisation law, the Local Self-Governance Act (LSGA), is considered as landmark legislation insofar as it is a maiden attempt at enhancing the administrative, fiscal and judicial powers of the local governments. The Act recognizes the principles of devolution of power, and emphasizes the establishment of local democratic governance.

Principles of local self-governance

The LSGA spell outs the following principles on decentralisation and local planning. This is the first attempt of the LSGA (1999: 4-5) including the principles and policies as outlined below:

1. Devolution of powers, responsibilities, and means and resources to make the local bodies capable of and efficient in local self-governance.
2. Building and developing institutional mechanisms and functional structure in local bodies which could be capable of shouldering the responsibilities.
3. Devolution of powers to collect and mobilize the means and resources required to discharge the functions, duties, responsibility and accountability passed on to local bodies.
4. Support in establishing the civil society based on democratic process, transparent practice, public accountability, and people's participation in carrying out the functions which fall in their jurisdictions.
5. Ensuring effective arrangements to make the local bodies accountable to the people for the purpose of developing local leadership.
6. Encouraging the private sector to participate in local self-governance and providing basic services for sustainable development.

The key features the LSGA

In summary, the following are the key features of the LSGA, 1999.
– Conceptual recognition of the local self-governance system
– Unified Act for all levels of local governments (district, village and municipality)
– Recognition of Village Development Committees (VDCs), a grassroots level local body, as local government
– Extended expenditure responsibilities and provision of revenue-sharing among different levels of government
– Local taxation and sub-national borrowing authority (central level's approval needed)
– Provision of permanent Local Bodies Fiscal Commission (LBFC)
– Recognition of association of local bodies
– Conceptual recognition of local service system
– Provisions of criteria for opening sectoral sections by District Development Committees (DDCs) and municipalities to replace line agencies
– Institutional arrangement of the Decentralisation Implementation and Monitoring Committee and its working committee
– Participatory local planning process as a mandatory provision
– Mandatory provision of formulating long-term vision and development policy, medium term (periodic) plan and long-term sectoral master plans.

The LSGA has gained strong support from various sectors, including the government, political parties, civil societies and donor communities. While the political framework for decentralisation has already been laid down, the administrative and financial decentralisation have yet to be fully institutionalized.

An assessment of legal framework from the perspective of basic features

Table 22 compares the legal situation of local governments based on some of the internationally recognised parameters of decentralisation policy. The features of the LSGA are compared with the parameters recommended by Kalin (1998) and Kiyaga-Nsubuga (2003).

Table 22:   Local government's situation in Nepal: a comparative perspective

Parameters: decentralisation policy	Assessment of the Nepalese context
Strong legal framework	
- A strong legal framework clearly outlining the powers, rights and duties of local governments.	- Duplication and overlapping of power, rights and duties among the different levels of government. - It is difficult to find out who is responsible for what functions (please see table 24 for details).
Resources and autonomy: fiscal decentralisation perspective	
- The right of local governments to collect local taxes and fees and to get funds from the central government necessary for the execution of tasks transferred to them.	- Local bodies have been assigned some authority to collect local taxes, fees and service charges. - Central government provides annual development (capital) and administrative (recurrent) grants with broader guidelines.
- The right to spend resources without excessive prior control by higher levels of government.	- There is no direct correlation between the tasks assigned and the funds transferred. The amount of grant to municipalities and DDCs may fluctuate year by year. - Although grants have been provided continuously for many years, there is no guarantee of continuation. - There are provisions of revenue sharing among different levels of government.
- The right to take decisions on local activities, including local development projects, without undue interference by national planning authorities and line ministries.	- Tentative resource allocation from the central level is provided on yearly basis before the planning process starts. However, prior projection is not given to local bodies.
Accountability and transparency	
- Clear concept of accountability. - The body of elected representative: The citizens can elect those who rule them. Possibility to assess comes at the time of re-election. - Citizens must also know that office-bearers who have violated the law will be punished.	- Accountability is not clear by law. - Officials are directly elected in VDCs and Municipalities. However, DDC officials are elected by an indirect system (not by citizens, but by Electoral College of members of VDCs and Municipal Councils). - There is no provision of citizen's right to recall elected officials.

Accountable to the higher levels of government

Parameters: decentralisation policy	Assessment of the Nepalese context
- High degree of transparency in financial matters and actions in the relations between local bodies and supervising authorities.	- It is not very clear and transparent.
- Local bodies must know in advance what criteria will be followed when approving decisions or denying approval.	- The criteria are not spelt out well.
- Supervising authorities should exercise tight control, and such control should have a retrospective (ex post) character: those who violate the law should be punished.	- There is a legal provision of Decentralisation Implementation and Monitoring Committee but it is not effective in practice because it has met only three times since the enactment of the LSGA in 1999. - There is no clear provision of supervising authorities of local government.
Transparent to the people	
- Transparency of actions and the possibility of access to relevant information such as budgets, accounts and plans.	- Grassroots level local bodies (VDCs and Municipalities) are relatively more transparent to the people than the DDCs. Since the majority of the people in rural areas are illiterate, periodic publications may not help in ensuring transparency in an effective manner.
Existence of integrity institutions at local level	
- Strengthening and upholding integrity of accountability systems such as local 'ombudsman.'	- There is no legal provision of such system or institutions in Nepal.
Political will and partnership	
- Clear vision regarding the position and function of local governments. - Strong political will to implement the vision.	- Most of the districts have developed their visions and development principles as a part of periodic (medium term) plan to perform their functions accordingly. - Vision and development principles are quite clear in those districts which have prepared periodic plans. But they often do not have a strong political will to implement the plan.

Parameters: decentralisation policy	Assessment of the Nepalese context
- Willingness of both the central and local level to see each other as partners in an ongoing process.	- Central and local governments are often seen as competitors or rivals instead of complementing each other.
- Inclusive decision making at local level.	- Decision making process is not inclusive enough of poor and minority groups in practice. However, the legal framework itself does not systematically exclude poor and vulnerable groups.

Source: Adapted from the LSGA, 1999, Kalin, 1998: 1-19 and Kiyaga-Nsubuga, 2003

As shown in the table, most of the parameters of decentralisation related to local government have been fulfilled in Nepal's decentralisation policy. However, the legal provisions of the LSGA are found weak in some critical parameters. They include accountability, supervision by the central level, expenditure assignment and fiscal transfer, and conflicting roles and responsibilities between local bodies and line agencies. These missing factors limit the performance of local bodies and minimize the positive impact of decentralised practice in Nepal.

LSGA from the perspective of participation

An effort is made in the following section to briefly assess the legal framework from the perspective of participation. The focus of assessment is primarily on enabling factors in promoting participation of stakeholders and citizens at large.

The following are the key provisions that help promote participation of stakeholders in local governance:

1. Going by the constitutional provision, decentralisation is defined as the principle strategy of promoting participation in local governance. This spirit has been adopted in the LSGA, which has been spelt out in its principles as described above.
2. The LSGA defines participation and explains that the rationale of decentralisation is enhancing partnership of local government with civil society.
3. The revenue-sharing scheme introduced in the LSGA recognizes the stake of local people in national revenue system, as the Act has a provision to return a significant portion of centrally collected revenue to the local people for their welfare through local governments.
4. The Act reserves 20 percent of seats for women at the village and municipal level. These reserved seats are to be fulfilled by direct election. Members of the disadvantaged minority groups are nominated from amongst those who are not represented in local government councils and executive committees (village, municipal and district).
5. Associations of local bodies are legally recognised as key stakeholders of decentralisation and are given mandates to articulate, represent and defend their respective interests.

6. The Act requires political parties (Clause 246) and law enforcers (police) to help local bodies (Clause 247) to coordinate and carry out their functions (Rai 2004: 17).

7. The Act separates power between the deliberative and executive organs of local bodies (ibid: 17) and maintains checks and balances as well as accountability.

9. The participatory planning process is legally recognised and the approach is made mandatory to all levels of local government. Implementation of local development activities is primarily assigned to beneficiaries themselves through User's Committees (UCs), CBOs and local NGOs.

The legal framework of Nepal from a South Asian comparative perspective

A recently conducted study on local government systems in South Asian countries has highlighted the following points in relation to Nepal when it comes to looking at the efforts in comparative perspectives (ibid: 32).

– Committee system of local bodies in Bangladesh, Nepal and India has also helped to enhance the participation of people in direct governance. It has promoted better accountability and helped in checking the behaviour of an institution and its leadership. Apart from legislative provisions, civil society has promoted transparency and accountability through public hearings.

– In Nepal, the constitutional right to information appears for the first time under Article 16. It is a novel provision in the constitution of the South Asian country although the related laws have not been formulated yet to ensure the fruits of the constitutional provision.

– Nepali press has been able to strengthen itself. Civic forums and pressure groups have become active in criticising and holding the government officials accountable to the people. However, civil society actors, much like their counterparts in Bangladesh, are still demanding the actual manifestation of this right.

– There are frameworks which have been created to ensure the participation of citizens keeping every aspect in mind. However, they are not serving the purpose well, and there is still a long way to go in this respect.

McGee et al. (2003) claim that India, being a federal state, is relatively the most decentralised country in the South Asian region. "[…] it has a federal system with government at the state level and councils at district, block and village level. Meanwhile the 73rd and 74th constitutional amendments have strengthened these councils or *panchayats* and municipalities when it comes to enhancing participation. In addition, *gram sabhas,* or village assemblies provide arenas concerning direct participation and functions including development planning and election of *Panchayats"* (McGee et al. 2003: 34).

McGee et al. comment about the Nepalese local government structure and provision of participation as follows (ibid: 35):

– *Political participation:* Legal provision guarantees citizen's participation in the electoral process of VDCs and municipalities and the indirect election of DDC officials.

- *Participatory planning:* The LSGA provides legal rights for direct participation at the grassroots level in the form of community meetings and ward assemblies as platforms to identify local needs. The participatory process involving local stakeholders is a basis of village and municipal development plans and programmes.
- *Mediation of disputes:* community participation in local dispute resolution has been ensured in the LSGA and the LSGR. The LSGA gives powers to the community as 'subsidiary governance'. The community's role in this is a long-standing tradition, newly institutionalized in legislation. However, these provisions have not been made effective yet.
- *Accountability:* public access to information is defined more as a right of the people and the provision is used to initiate a mechanism of maintaining accountability at the local level.

The legal framework and the socio-political context: some critical factors

Legislations are framed not in isolation, but in the economic and socio-political background of the country. These are necessary for the promotion of decentralised local governance although they are not sufficient in themselves. Social structure, tradition and power dimensions associated with these aspects are critical for any governance system to be effective and efficient. Rai (2004) concludes; "In South Asia, where traditional social structures (caste, class and patriarchy) are prominent, conflict between social and legal orders is obvious. With the passage of time and also with the effect of global restructuring, constitutional provisions of democratic decentralisation are gaining strength over traditional autocratic structures" (Rai 2004: 35).

In the social context, Rai notes: "Local self-governance is a contested terrain where a number of stakeholders are players. There are not only local or national players. International players are also influencing the system of governance at local levels (e.g. donor created parallel bodies or country assistance conditionality). So, naturally a multi-stakeholder approach is required by civil society to intervene to bridge the gap between legal and social orders" (ibid: 35).

Political will, commitment and the role of political parties are not clear when it comes to strengthening local self-governance in Nepal. There are a number of conflicting political interests among major political parties. On the one hand, past record shows that the ruling party has not trusted local governments when the opposition formed the majority of local governments. On the other hand, local governments have not paid attention to the policy of the central level in many cases. Furthermore, bureaucracy is not accountable to local governments. Thus both central and local level government failed to play complementary roles to promote the governance system effectively.

3.5   The current local government structure in Nepal

Historical background of local government institutions in Nepal

Although the pace of decentralisation is slow, Nepal has dabbled with local institutional systems since 1963, a year when the first ever local election took place. Historically speaking, while general elections have been seen to be on hold a few times, local elections have never faced interruption from 1963 to 1997. This might be one reason why local bodies or local government units at village and municipal levels are considered very close to the people. One could argue that longstanding involvement helps inculcate local governance culture at the local level.

At the beginning, the financial resources made available at the village level were minimal. Village level organisations such as *Village Panchayats* were run more or less like social or voluntary organisations. These were effective in mobilizing local resources for local development activities, particularly human resources and local materials. Thus, most of the development efforts made at local level during the 1950s were the outcome of individual community's self-help initiatives. As a result, many rural roads, schools and bridges, community buildings were constructed without any external support. Suffice it to say, these development efforts were the community's common properties with a high level of community ownership created through citizen participation. Thus, sustainability aspects were in-built with the self-help community initiatives. Such development activities were carried out as regular campaigns.

However, strong centralisation imposed during the 1960s and 1970s discouraged the community's self-help initiatives, and gradually development became the state's sole responsibility. Limited administrative decentralisation introduced in the second half of the 1970s could not revitalize the local initiatives. Thus, development activities degenerated into a business of the government and not the affair of common people.

The current structure of local governments

There are 3,913 VDCs, 58 Municipalities (including one Metropolitan City and four Sub-Metropolitan cities) and 75 DDCs (2005). Local elections are held every five years. The historical roots of current local government structures date back to the *Panchayat* era (1960-1989). The Acts enacted after the restoration of the multi-party system only changed the names and some responsibilities, but the basic structure remained more or less the same.

Village Development Committee (VDC)

The Village Development Committee (VDC) is the lowest level of local body. It is a cluster of dispersed rural settlements. The average range of population in a VDC is from 2,500 to 4,000. The density of population is highest in the Terai (flat land) while it gradually decreases in the hills and the mountain regions. The VDC is divided into nine wards and each ward has a committee consisting of four ward members (including one woman) and one Ward Chairperson (who is also a member of the VDC). Local people elect VDC officials.

At the village level, the VDC is an executive body made up of a total of 13, including all Ward Chairpersons (9) and nominated members[4] including one woman (2), Chairperson (1) and Vice-Chairperson (1).

The Village Council is the legislative body at the village level consisting of a total of 53, including Chairperson (1), Vice-Chairperson (1), all Ward Members (36), Ward Chairpersons (9) and members nominated (6) by the Village Council from amongst those who are socially and economically backward, and who have inadequate representation in the Village Council. The Village Council meets biannually and approves village development plans, policies, tax and other revenue proposals, including budget. It reviews and approves the expenditures of the VDC (figure 10).

Figure 10: VDC level local government structure in Nepal, 2002
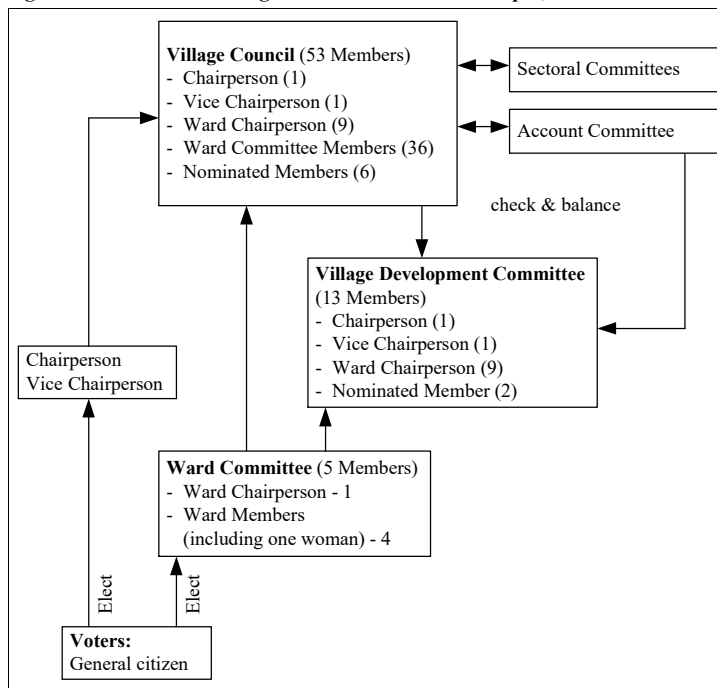
Source: Adapted from the LSGA, 1999

One junior level staff is deputed by the Ministry of Local Development (MLD) through the DDC Secretariat to work as VDC Secretary. He/she plays the key role at the VDC, but the VDC Secretary is a member of the central civil service. There are no other support staff in most of the VDCs because the central level government

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[4] Two VDC members are nominated by VDC from amongst those six who are nominated as Village Council members.

does not extend budgetary support and the VDC cannot afford it out of their own resources. Resourceful VDCs, especially those in the southern part of the country (Terai) and Kathmandu Valley, do hire a few junior staff (two to five) on their own payroll. This is to say that the financial, technical and administrative capacities of VDCs are very weak in general. The financial standing of VDCs spread across hilly and mountainous regions is extremely weak in comparison to the VDCs of the Terai region.

Municipality

In Nepal, city, town and urban centres are not legally defined yet. Implicitly, municipalities are considered cities and towns; however, some of the municipalities in the hilly region are clusters of villages.

There are 58 Municipalities in Nepal, which include one Metropolitan City (Kathmandu), four Sub-Metropolitan Cities, and 53 Municipalities. Like VDCs, municipalities too, vary greatly in terms of population (from 10,000 to nearly one million), size, capacity, financial status and number of staff and elected representatives. Any territory which expects to be declared a municipality, ought to have a population strength of 10,000 and basic infrastructures (roads, electricity, telecommunication, drinking water, etc.).

Municipalities are divided into a minimum of nine wards. There is no specific provision on the maximum number of wards a municipal body can have. Mayor (1), Deputy Mayor (1), one Ward Chairperson from each ward (depending on the number of wards) and two nominated members constitute the Municipal Executive Committee. Much like in the VDC, municipalities also have similar structures at the ward and Municipal Council level. But the number of nominated members can vary in the Municipal Council (minimum 6 and maximum 20). The Municipal Council approves plans, budget, policies and tax proposals. It also reviews and approves the expenditures of the municipality. MLD deputes officer level staff to each municipality. He or she works as Executive Officer Cum Secretary of the Municipality.

District Development Committee (DDC)

The district level local government (i.e. DDC) is an intermediary local government at the sub-national level, which lies between central-level government at the upper level and VDCs and Municipalities at the lower level (see chapter 3.7 for functions and other details).

A district is divided into different '*Ilakas*' (sub-districts). Depending on population, area and other criteria, the district can be divided into from nine to seventeen *Ilakas*/sub-districts. All elected VDC and Municipal Council members elect one DDC member from each *Ilaka*/sub-district. A similar election process elects the DDC President and Vice President. All *Ilaka*/DDC members, two nominated DDC members (nominated by the DDC from amongst those six who are nominated to the District Council), DDC President and DDC Vice President, together with Members of Parliament (MPs of both houses) as ex-officio, constitute the DDC (figure 11).

Figure 11: District level local government structure in Nepal, 2002
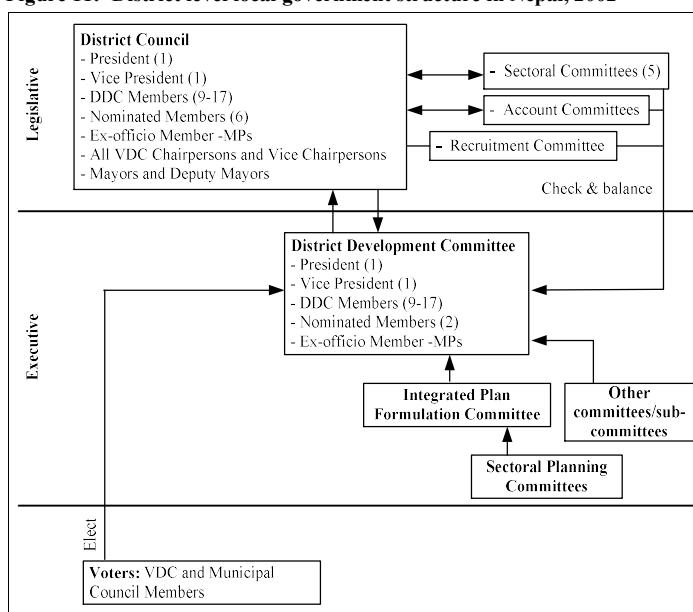
Source: Adapted from the LSGA, 1999

All Mayors, Deputy Mayors, VDC Chairs and Vice Chairs, Members of Parliament of both the House of Representatives and National Assembly are members of the District Council. The District Council normally meets once a year to approve district plans, policies, tax proposals, budget and expenditures. All line agencies' plans and programmes that fall under the 'district' category should be approved by the District Council, if they expect to be funded under the central budget.

   Table 23 shows the number of elected representatives in 2001.

Table 23:   Number of representatives in local bodies, 1999

Local bodies	Maximum and minimum number			Total number of representatives			Total no.
	DDC	Municipal-ity	VDC #	DDC	Munici-pality	VDC	
Council	42-262*	53-197	53	9,734	4,494	207,389	221,617
Executive	14-28*	13-39	13	1,492	1,038	50,869	53,399

*Note: *The number does not include the Members of the National Assembly (Upper House)*
 # Number of wards are fixed in the VDCs, therefore council and executive members are definite.

Source: LBFC, 2000: 25 (Nepali)

The MLD deputes a senior gazetted-level staff (gazetted Class II Officer) to each DDC Secretariat to work as Local Development Officer (LDO) cum DDC Secretary. He/she is the chief of the DDC Secretariat and works as development coordinator at the district level.

3.6 The key players of decentralisation

There are a number of institutions as the key players of decentralisation in Nepal. These are briefly outlined below:

Decentralisation Implementation Monitoring Committee (DIMC)

The LSGA (Clause 241) has envisioned a high-level Decentralisation Implementation Monitoring Committee (DIMC) Chaired by the Prime Minister as a permanent institution to safeguard decentralisation. It is a multi-sectoral high-level committee which approved a time-bound five-year Decentralisation Implementation Plan (DIP) in January 2002. The DIP addressed the recommendations of the Local Bodies Fiscal Commission (2000) and the government-donor peer review carried out in 2001.

The responsibility of the DIMC is to monitor the implementation status of decentralisation policy under the framework of the LSGA and provide policy guidance to promote decentralisation. The problem is that the DIMC met only three times between the enactment of the LSGA in 1999 and July 2005.

Decentralisation Implementation Monitoring Working Committee (DIMWC)

The LSGA (Clause 241-6) created a Decentralisation Implementation Monitoring Working Committee (DIMWC) chaired by the Minister of Local Development to provide continuous guidance in the implementation of the LSGA and related policy decisions. This committee is also not very effective.

Local Bodies Fiscal Commission (LBFC)

The Act has envisioned (Clause 237) LBFC as a permanent institution to carry out the study on revenue potentials and provide policy support for fiscal decentralisation. The LBFC was formed in 2000 under the chair of the Vice-Chairperson of the National Planning Commission (NPC). The LBFC carried out a comprehensive study outlining the status of fiscal decentralisation in Nepal, which was publicised in the year 2000.

Ministry of Local Development (MLD)

The MLD is in a strategic position and plays a pivotal role in policymaking and coordination with central agencies. Being a line ministry, administrative and development-related grants to local bodies pass through it. In fact, it links local governments with the central government and handles the challenges of decentralisation together with other key institutions.

Moreover, in order to strengthen the implementation of the LSGA, the MLD has undertaken major policy measures such as the enactment of the Local Self-Governance Regulations and the Financial Administration Regulations in the year 2000, which are the legal frameworks for activating the LGSA. The MLD conducted nationwide orientation seminars for concerned sectoral ministries and key officials

of local bodies with a view to developing the technical and administrative knowledge needed to implement the LGSA. The MLD, together with ADDC/N, identified 23 laws that contradict the decentralisation bandwagon and initiated the process for the amendment of 10 Acts to make them compatible. While these amendment drafts were forwarded to the Parliament Secretariat, further development is ruled out since the House of Representatives was dissolved on May 22, 2002.

The MLD has been supportive to the decentralisation process in many aspects. However, it is often criticized for being too instructive to local bodies. In fact, the MLD's approach is more a one-way instructive communication that has been weak to address the crucial issues related to the decentralisation policy and its implementation. The role played by the MLD is not catalytic or effective enough to support the capacity-building of local governments and decentralisation policy monitoring. It has also stirred up controversy over deploying its staff down to the village level, even as it is not deemed to be ensuring transparency when it comes to fiscal transfers (grants) and sticking to the decentralisation bandwagon in the spirit of the LSGA. Decentralisation is a crosscutting policy issue; therefore, there is no single ministry or department held responsible for under-implementation of the policy.

Ministry of Finance (MoF)

The Ministry of Finance (MoF) plays important roles, which consist of arranging finances for decentralisation, particularly for fiscal transfers, and leading the decision-making process for revenue-sharing among the different levels of government. It plays an important role in shaping the fiscal policy of the country, which has powerful influence on the revenue and expenditure structure of local governments. In the context of the absence of a strong established mechanism and a clear policy framework related to fiscal decentralisation, the role of this ministry is critical to make the decentralisation process functional.

National Planning Commission (NPC)

The function of NPC in relation to the decentralisation process is to pilot research, issue planning guidelines and instructions, ensure inter-sectoral co-ordination, and conduct monitoring and evaluation of development plans (periodic plan). Its role in inter-sectoral coordination and support for a decentralised planning system from the central level is important although not very effective yet (see chapter 4.1 for details).

Sectoral ministries

The sectoral ministries have a very crucial role to play for the successful implementation of decentralisation. More so in light of the fact that sectoral ministries have a nation-wide institutional network up to the VDC level. These line agencies are under the direct administrative command of sectoral ministries and departments and are operating as de-concentrated units parallel to the local government system. Line agencies constitute a significant proportion of development investment in the district (see chapter 8.6) and are working almost outside the local government framework.

According to LBFC (2000: 29), these agencies do not seem to have played any role in giving a boost to the decentralisation programme. There is no evidence of a collective awareness that it is the responsibility of all the ministries to strengthen local bodies and make them capable and effective at managing decentralised functions.

Local bodies associations

There are three associations of local bodies in Nepal. They are: Association of District Development Committees, Nepal (ADDC/N); Municipal Association of Nepal (MuAN); and National Association of Village Development Committees of Nepal (NAVIN). These associations play pragmatic roles through collective advocacy in favour of strengthening decentralisation and local governance. These activities have been gradually contributing to the internalisation of the decentralisation process. ADDC/N's involvement in the joint review of decentralisation and sharing of information through its network are significant contributions.

Political parties

The political parties have been perceived as instruments of change in social, economic and political spheres ever since their inception in the 1940s. Their credentials as advocates of democracy and agents of change were established by the decisive role they played to herald and render the people's movement in 1990 a successful effort. That not only restored multiparty democracy but also led to a democratic constitution.

One can assuredly say that being in the driver's seat under the multi-party polity, political parties have a very crucial and determining role in strengthening decentralisation and the local governance system. The LBFC (2000) notes that while there is a political consensus on decentralisation, the political parties differ on priority issues and process. They have paid less attention to important issues of a practical nature such as organising all-party meetings and sharing vision on crucial issues, maintaining transparency at a local level and open discussion in the local bodies' council or board meetings. Baral (2000 in Collins et al. 2003: 46) sees political parties' interest more as "[…] short-term partisan interests […]" than "[…] making decentralisation as the underlined spirit of good governance […]."

Donor's community

Since more than 60 percent of the total annual budget of Nepal comes from external development partners, donors play a highly influential role in policy-making, programming and operating the government. They are one of the driving forces of decentralisation in Nepal as is evident from the fact that it was donor's community who facilitated the entire LSGA drafting process and to a large extent supported the legislative process too.

A government-donor peer review was carried out in 2001, which, among others, identified decentralisation issues from the common perspective and provided policy recommendations for short, medium and long-term interventions.

Academic and training institutions

Principally, academic and training institutions are the key stakeholders that contribute to decentralisation by providing the required knowledge to support a decentralised system. However, in the Nepalese context, these institutions have not been able to influence decentralised governance to any appreciable extent. Basically, the university course structures are more focused on a centralised system of governance. There is only one training institution (Local Development Training Academy) that was set up with the mandate to support decentralisation by providing training to

development professionals and political officials. However, it has failed to evolve as an active partner in the decentralisation process due to its own weak vision and poor professional capability. Thus Nepal lacks academic institutions which could contribute to the cause by turning out professionals. This explains why the grass-roots level local bodies and line agencies sadly lack manpower trained in the concepts of decentralisation and democratic local governance.

Civil society organisations

Civil society organisations in Nepal include Community Based Organisations (CBOs), Non-Governmental Organisations (NGOs), professional organizations, consumer groups and traditional organisations. The number of NGOs and CBOs has increased in a geometrical ratio after the restoration of multi-party democracy. Moreover, they are wielding increased influence in shaping the democratic culture, bottom-up participatory planning and in modelling overall decentralised governance.

The LSGA recognises the important role of civil society organisations in local governance as it is included in one of the principles of decentralisation (see six principles above). Moreover, local governments are assigned the responsibility of encouraging, involving and strengthening civil society organisations.

Private sector

The private sector is principally recognised as an active development partner both at the central and local levels. However, the private sector's roles are not clearly articulated at the operational level in the context of local governance. There is no clear-cut mechanism for involving such development partners in development planning and programming processes other than through the implementation of development activities. Recently, MLD has drawn up a policy related to public-private partnership although it is yet to be adopted and implemented by the local governments at different levels (MLD 2003a).

3.7   Roles and responsibilities of government at different levels

Central level and local level

The Work Division Regulation of HMG/N outlines the functions of the central government in a broad manner. Also consider other sectoral laws which also outline the functions and responsibilities of certain institutions for the delivery of specific services. Functions and responsibilities of local bodies, as explained above, have been envisioned in the LSGA, 1999. The general functions of central and local governments (DDC, VDC and Municipalities) are summarised in table 24.

Table 24:   Functions assigned to central and local government, 1999

Functions assigned to central level government *(As envisioned in Work Division Regulation and the LSGA)*	Functions assigned to local govt's (DDC, VDCs, Municipalities) *(As envisioned in the LSGA)*
- Formulate national policies, plans and programmes of the related sector.	- Formulate policies and plans of the respective area of local bodies with coherence to national plan and policy.
- Implement by own agencies and/or ensure implementation through others.	- Deliver public services by own structure or by user groups, NGOs, CBOs and private sector.
- Establish relationships, linkages and coordination with the related agencies/institutions at international (treaty, agreement) and national (horizontal and vertical) level.	- Establish relationships, linkages and coordination with MLD, NPC, sectoral ministries and donors. Local bodies should coordinate with donors through MLD. However, direct linkage could be established with other sectoral ministries in implementation of programmes. Local bodies have to report their progresses to MLD regularly.
- Regulatory functions: monitor/ supervise/ evaluate sub-ordinate units of government. - DIMC to monitor and supervise local bodies; decentralisation issues. - NPC/MLD/other ministries to provide policy guidelines to local bodies for effective implementation of plans and programmes.	- Role of DDC is more as coordinator than implementer. Municipalities and VDCs play a vital role in providing services at the local level. - Regulatory functions: monitor/supervise/evaluate programmes and projects implemented in the respective area of the local body. - Comply with NPC/MLD/other ministries' policy guidelines.
- Technology development and transfer. - Quality control and capacity-building schemes. - Carry out research, survey, study (conference, seminars, workshops) relating to the sectoral issues.	- Technology development and transfer. - Quality control and capacity-building schemes at service delivery level. - Carry out research, survey, study (Conference, seminars, workshops) relating to the sectoral issues.
- Set standards of services.	- Set standards of services.

Source: Adapted from LBFC, 2004: 24

The central level ministries and departments carry out their functions through their respective line agencies mostly present in each district down to the village/municipal levels. The sectoral functions of line agencies and functions of local bodies are very similar in nature which, incidentally, explains the functional conflicts between line agencies and local bodies. Co-ordination, in most cases, is complicated by the parallel system and mandates.

The LSGA (Sections 234 to 239) outlines provisions which ensure control of the central authority over the local bodies:
- To facilitate, direct and monitor the performance of the local bodies,
- To introduce special programmes to consolidate and enhance the capacity of local bodies,
- To provide an annual grant and prescribe its use,
- To form a fiscal commission with representatives from the associations and the local bodies to identify the local taxes to be imposed and to determine the distribution of revenues between the national government and the local bodies,
- To suspend or dissolve local bodies based on specific legal grounds as spelt out in the LSGA,
- To extend the term of the local body members up to one year in case of natural calamity, economic crisis and other unavoidable circumstances.

Roles and responsibilities of different levels of local governments

The scope of functions and responsibilities assigned by the LSGA to each level of local bodies are summarised in table 25.

Table 25:   Functions of different levels of local bodies, 1999

Village Development Committee (VDC)	Municipality	District Development Committee (DDC)
- Agriculture	- None	- Agriculture
- Rural drinking water	- Water resources, sanitation, environment	- Rural water supply and hydropower
- Works and transport development	- Works and transport	- None
- Physical development	- Physical development - Enforcement of building code	- Physical works and transport development
- Irrigation, soil erosion control and river bank protection	- None	- Irrigation, controlling soil erosion and river training
- Education and sports	- Education and sports development	- Education and sports development
- Health services	- Health services	- Health services

Village Development Committee (VDC)	Municipality	District Development Committee (DDC)
- Forest and environment	- Note: Environmental management is linked to sanitation (see above)	- Forest and environmental management
- Language and culture	- Social welfare - Cultural promotion	- Language and culture promotion
- Tourism and cottage industry	- Industry and tourism	- Tourism development - Promotion of cottage industries
- Miscellaneous: human resource development, cooperative development, updating of basic information of the area, disaster management, welfare of helpless people, etc.	- Miscellaneous: roadside plantation, provision of slaughterhouses, protection of public or government lands, disaster management, etc. - Optional works. - Municipal finance	- Information and communication; Development of women and welfare of helpless people; Database management; Disaster management; Land reform and land management; Fixing the wages of labour; Habitat/ settlement development

Source: Adapted from the LSGA, 1999

As illustrated in table 25, DDCs have 16 categories of functions and responsibilities while VDCs and municipalities have 11 categories. Evidently, different levels of local bodies are assigned similar sectoral and cross-sectoral functions and responsibilities. These categories cover almost all types of public services. Indeed, their roles and functions are limited within their respective jurisdiction.

The functions of VDCs and DDCs are broad and more of a rural nature while those of the municipal bodies are more focused and specific to urban services. Municipalities have general functions and some 'optional' functions, which DDCs and VDCs do not have. Shrestha notes: "In theory, the local governments are autonomous in carrying out these functions within the broad national or sector policy framework and guidelines provided to them by the central government" (Shrestha 2002: 9). However, in practice, these local bodies do not have flexibility and autonomy in carrying out their functions, and there are a number of deterrents and administrative, political and financial hurdles.

The functions and responsibilities specified in the LSGA are not vivid. There are instances when functions and scope of work of local and central government overlap. The central governments have been continuing their activities through sectoral line agencies since the 1980s under a de-concentrated model of decentralisation. Many functions and activities which are more appropriate for the local governments to carry out have not yet been addressed accordingly. Consequently, there is a lack

of proper division of responsibility and even if the same has been sorted out, it is not possible to pinpoint accountability with precision (LBFC 2000: 29-32).

The comparative description of functions and responsibilities of local bodies are outlined in appendix 3.

3.8 The state of fiscal decentralisation in Nepal: an assessment

Financial decentralisation has a great significance, both in relation to meaningful political decentralisation leading to more democratization process, and enhancing effectiveness and efficiency in public service delivery at the local level. This chapter discusses the inter-governmental financing systems (both vertical and horizontal) of Nepal with the conceptual reference outlined above (chapter 2.6).

The LSGA has internalised some concepts of fiscal decentralisation. It is evident from the fact that the LSGA includes several legal provisions of expenditure responsibilities, revenue assignment, inter-governmental fiscal transfers and sub-national borrowing. However, these provisions have been vaguely defined and there are imbalances among the four pillars of fiscal decentralisation. The Local Bodies Fiscal Commission (LBFC) finds that fiscal decentralisation is weak and fiscal autonomy of local bodies is limited by central domination.

Expenditure responsibilities and revenue assignments

Theoretically speaking, expenditure responsibilities and revenue assignments are two major pillars of fiscal decentralisation, which are keys to successful decentralisation. The LSGA emphasizes transferring a series of functions and responsibilities to local bodies. However, these functions are neither properly linked with expenditure responsibilities nor with revenue assignments. Some revenue and taxation rights are assigned to local bodies, but those are not sufficient to finance assigned functions. There is no balance between these revenue rights and given responsibilities. Legally speaking, borrowing rights are given to the local bodies but they need prior approval from the central level to discourage use of loan in the unproductive sector. Such a control mechanism is common practice even in developed countries like Germany. Municipalities may enjoy borrowing facilities from the Town Development Fund Board (TDFB) but in the case of DDCs and VDCs, there is no such financial institution that supports them for lending. Government and privately-owned financial institutions do not lend credit facilities to local bodies yet. Consequently, there is a wider vertical fiscal imbalance as a result of the non-corresponding relation between expenditure responsibilities and revenue assignments between different levels of local governments.

Reliable data on local government finance is limited in Nepal. Shrestha (2002: 12) presents tentative figures from different sources (table 26).

Table 26:   Share of local bodies in GDP, public expenditure and revenue (%)

Description	1998/1999	1999/2000	2000/2001
Total share of central gov't in GDP	21.12	21.13	23.34
DDC	0.20	0.19	0.17
Municipality	0.04	0.04	0.03
VDC	0.59	0.53	0.50
Total share of local gov't in GDP	0.83	0.76	0.70
DDC	1.09	1.05	0.84
Municipality	0.24	0.23	0.18
VDC	3.29	2.96	2.35
Total share of local government in total public expenditure	4.62	4.24	3.37
DDC	1.74	1.63	1.41
Municipality	0.39	0.35	0.31
VDC	5.26	4.57	3.94
Total share of local government in total revenue	7.39	6.55	5.66

Source: Economic Survey, 2001 and Budget Speech 2001/02 in Shrestha, 2002: 12

Table 26 shows that the share of local government in the total public expenditure is around four percent and is gradually declining. Similarly, the share of local governments in the total revenue and GDP has also been declining. Still, the share of local governments in total revenue is relatively higher (but also declining) in comparison to the share in GDP and total public expenditure. One of the critical factors for such a declining trend is the capacity of local bodies, which is discussed at the end of this chapter.

It is remarkable to note that the decentralisation process is avowedly doing well after the enactment of the LSGA, 1999. But the financial report shows (table 26) that the share of central-level government in total GDP is increasing over the same period (21.12 to 23.34 in the year 2000/2001). This could safely be attributed to the growing conflict situation in the country. In comparison to the status of other developing countries (about 13 percent, see table 14), the share of local government in public expenditure is very low in Nepal at 3-4 percent of total public expenditure (table 26). However, as shown in table 26, the share of local governments in total revenue is bigger (7.39 percent) than the share of local governments in total public expenditure (4.62 percent). It indirectly indicates that there are limited management capacities of local bodies, which is an emerging issue in recent years.

Significant overlapping of functions has set in further ambiguity in allocating expenditure and revenue assignments. Therefore, unless roles and functions are spelt out clearly, it is very difficult to clarify expenditure as well as revenue assignments. Inferentially, the situation at hand could be bad for the decentralised system since it is prone to manipulation, political influence and a high level of central interference

in local autonomy. As a result, the local bodies are not able to put decentralised functions into operation and meet their legal and moral responsibilities. The parallel and centrally controlled funding system which also involves line agencies further complicates the decentralisation process.

The following section discusses the sources of income and expenditure of the local bodies and their patterns based on facts and figures, thus shedding light on the status of fiscal decentralisation in the Nepalese context.

Revenue and expenditure structures of local bodies: an assessment

Table 27 shows the revenue pattern of DDCs (both the tax and non-tax) including revenue sharing.

Table 27:   Structure of internal revenue of DDC (%)

Description of source	1997-98	1998-99	2001-02	2002-03
Taxes	27.1	20.7	42.1*	42.0**
(Wool, solvent extraction, herbs, dry grass (bankas); scrap (reusable/ recyclable solid waste); boulders, concrete, slate, sand, animal bone, horn, feather etc.)				
*Note: *Including sand, boulders, flag stone; **Including sand, boulders, flagstone*				
Service charges	2.4	4.2	3.3	2.7
(Road, bridge, irrigation canal, pond; guest house, library, medical centre, community hall; canal, water source (irrigation), embankment; local development fee)				
Fees	9.4	5.7	5.2	4.3
(River rafting, boat, fishing permission; registration and renewal fee for water bank; recommendation charges/fee and others)				
Sales	35.8*	45.0**	0.5#	0.4α
(River sand, aggregates, boulders, slate, soil, drift woods)				
*Note: *Including sand, boulders, flagstone; **Including sand, boulders, flagstone, slates; # Excluding sand, boulders, flagstones; α Excluding sand, boulders, flagstone*				
Loan (borrowing)	1.1	0.8	0	0
(Borrowing from banks or other institutions with or without collateral with approval from District Council and on guarantee from the central level)				
Land Revenue	6.4	2.5	2.3	2.5
(Revenue sharing with VDCs and Municipalities)				
Income Generating Programmes	17.8	21.1	6.1	7.2
(Income generated by DDC investing in shopping complexes and other income generating programmes)				
Revenue Sharing	0	0	40.5	40.9
(Land registration, forestry, mine, hydro power, tourist entrance fee)				
Total	100	100	100	100

Source: Adapted from LBFC, 2000: 47 (Nepali) and LBFC, 2004a (Nepali)

As illustrated in table 27, revenue from sales constitutes the highest percent (35.8 percent to 45 percent) during 1997-98 and 1998-99, which is before the enactment of the LSGA, followed by revenue from tax (20.7 percent to 27.1 percent) which, in turn, was followed by revenue from other income sources of DDCs. However, 2001/02 and 2002/03 saw revenue from taxes soaring up (42 percent) followed by revenue sharing, too (40 percent). These changes can be attributed to two reasons. Firstly, the revenue from sand, boulders, flagstones were included in sales of the years 1997-98 and 1998-99. However, revenues from these items have been included under the category of tax during 2001-2002 and 2002-2003. Secondly, the income from tax has gone up due to expansion of the tax net after the enactment of the LSGA.

The income from sales is dependent on natural resources, quarrying and mining. The stocks of these materials are limited and these are associated with high environmental risks. Thus, the income of the DDC depending on available natural resources is not sustainable. The LSGA has introduced revenue-sharing schemes among different levels of government. The revenue-sharing scheme is a newly introduced revenue mechanism which constitutes more than 40 percent of total internal revenue. Thus, this scheme has significantly changed the revenue structure of DDCs.

Table 28 shows details of expenditure of internal sources of revenue of DDCs. The data shown in the table are based on the record of 32 out of 75 DDCs.

Table 28:   Expenditure of DDCs from internal resources (NRs. '000)

Description of expenditures	1997-98*		1998-99*		2001-02[#]		2002-03[#]	
	Amount	%	Amount	%	Amount	%	Amount	%
Administration expenses	82,023	67	96,824	60	457,711	41	183,420	24
Development programmes	41,023	33	63,815	40	670,155	59	565,904	76
Total	123,046	100	160,639	100	1,127,866	100	749,324	100

*Note: * 32 DDCs and [#] 75 DDCs*

Source: LBFC, 2000: 49 (Nepali) and LBFC, 2004a (Nepali)

Table 28 illustrates that administrative expenditure of DDCs from internal revenues has significantly fallen from 67 percent in 1997-98 to 24 percent in 2002-2003, while the investment in development programmes has significantly gone up from 33 percent (1997-98) to 76 percent (2002-2003). More than three quarters of the amount from internal resources has been invested in development programmes, which is fairly high as compared to the line agencies. DDC's overall expenditure has increased in recent years.

Table 29 shows the expenditure patterns of grants provided by the central level to the DDCs.

Table 29: Expenditures of DDCs from grant support (NRs. '000)

Description of expendi-tures	1997-98*		1998-99*		2001-02#		2002-03#	
	Amount	%	Amount	%	Amount	%	Amount	%
Administra-tive expenses	217,789	36	338,496	49	395,210	57	476,031	58
Development programmes	390,990	64	347,482	51	299,510	43	339,935	42
Total	608,779	100	685,978	100	694,720	100	815,966	100

Note: * 31 DDCs and # 75 DDCs
Source: LBFC, 2000: 49 (Nepali) and LBFC, 2004a (Nepali)

MLD provides administrative and development grants to DDCs every year. Table 29 shows the trend of administrative and development expenditure from the grant provided by the central level. It shows that administrative expenditure has increased from 36 percent (1997-98) to 58 percent.

Inter-governmental fiscal transfer and sub-national borrowing

All countries treading the decentralisation path, whether federal or unitary, have some sort of inter-governmental fiscal transfer system in place which often represents a major source of finance for local governments (Shrestha 2002a: 2). This element plays the role of major determinant of success or failure of decentralisation policy in such countries. Table 30 shows the share of fiscal transfers in local bodies in comparison to internal revenues and loan/borrowing.

Table 30: Share of the fiscal transfers (% of total)

Income	1998/99*			1998/99*			2001/02#		2002/03#	
	DDC	Municipality	VDC	DDC	Municipality	VDC	DDC	VDC	DDC	VDC
Internal revenues	16.8	22.7	25.7	18.9	24.3	26.0	60.88	32.04	55.96	23.34
Transfers@	83.2	65.8	74.3	81.1	60.2	74.0	39.12	67.96	44.04	76.66
Loan/borrowing	0	1.2	0	0	3.4	0	0	0	0	0
Balance forwarded to next year	0	10.3	0	0	12.1	0	-	-	-	-
Total	100	100	100	100	100	100	100	100	100	100

Note: 1) Figures for DDCs are based on the data from 31 DDCs for own source revenue and for 32 DDCs in the case of grants/transfers. 2) VDCs figures are based on data from 75 VDCs, #3) Data for the year 2001/02 and 2002/03 are representative figures of all VDCs, DDCs and municipalities. @4) Local Development Fee is included in case of municipalities.

As shown in table 30, fiscal transfer constitutes the majority of the share of income of DDCs: 83.2 percent in 1998-1999 and 44 percent in 2002-2003 and VDCs: 74.3 percent in 1998-1999 and 76.66 percent in 2002-2003. In the case of municipal bodies, the transfer constitutes 65.8 percent (1998-1999) and 60.2 percent (1998-1999) of their total revenue capacity. It shows that local bodies are dependent on central-level fiscal transfers.

Current size and structure of fiscal transfer

Reliable figures on the size of fiscal transfer are limited in Nepal. Shrestha estimates, "the overall size of fiscal transfer in Nepal is small. It is around 4 percent of the national budget" (Shrestha 2002a: 8). Inter-governmental fiscal transfers primarily cover the following items in the Nepalese context.

Grants

MLD provides the following types of grants to local bodies:

a) Administrative grants/conditional: It covers salary and related expenditures of the Local Development Officer (LDO), VDC Secretaries, Accountants and Executive Officers of the concerned municipalities.

b) Unconditional grants: It is generally known as 'general grant' and is provided to each local body. Local governments have almost full flexibility to decide how and where to spend the grant amount although broad guidelines and instructions restricting administrative cost and suggesting priority are provided by the central level.
   – Each VDC receives NRs. 500,000/year as general grant (unconditional)
   – DDCs are entitled to receive a general grant based on the criteria of Human Development Index (HDI 50 percent), population size (20 percent), cost index (20 percent) and geographical area of the DDC (10 percent).
   – Municipalities are entitled to get grants based on similar criteria but a different formula is applied.

c) Programme grant/semi-conditional grant: In this type of grant, local bodies are given the decision-making rights within the broad framework provided by the central level. However, local bodies, for example, can decide on the project site, while the grant should be spent in the same sector or sub-sector.

There are also some matching grants available for specific needs or projects of any local government. They are special cases and are not provided as transfers in general. Partnership or matching scheme is also another programme like the transfer system which is common in Nepal. "In fact, it is a partnership between an organised community, local government and the central government. Once the community and the local government negotiate to share their part, the central government agrees to pay its pre-determined share of the cost for the project" (Shrestha 2002a: 9). It is not a regular fiscal instrument but depends on the availability of funds.

MLD is responsible for allocating and administering grant supports to local bodies. It issued separate guidelines for VDCs in 1998, municipalities and DDCs in 2000. These guidelines enumerate goals and objectives of grants which are mainly related to poverty alleviation. These guidelines also describe general procedures of

fund release, instalments and overall management of the funds. Guidelines for VDCs are provided in more detail and more specific compared to those for DDCs and municipalities. The compliance status of these guidelines is checked through regular auditing procedures and monitoring visits on a sample basis. However, these guidelines do not seriously restrict local government in exercising their freedom of choice.

d) Programme support/conditional: These are supports tied up with specific programmes without giving any flexibility. This type of support includes some central programmes implemented by local governments such as social security programmes, donor-supported programmes and projects, etc. Table 31 shows the amount of different grants.

Table 31:   Central level's grant support to DDCs and VDCs in 2000/2001

Type/category	Amount (NRs./'000)	Share in total grant composition (%)
Administrative grant (conditional)	203,333	33.61
General dev't grant (unconditional)	190,638	31.51
Programme grant (semi- conditional)	188,780	31.21
Loan and borrowing (restricted)	2,670	0.44
Other/miscellaneous	19,506	3.22
Total	604,927	100

Source: ADDC/N, 2005

As shown in table 31, the administrative grant is one-third (33.61 percent) of the total grant amount and unconditional grants and programme grants are almost equal (31 percent). Loan and borrowing (0.44 percent) are not significant.

Revenue sharing on vertical and horizontal levels

As envisioned in the LSGA, revenue-sharing among different levels is another source of revenue for DDCs, VDCs and municipalities. These include the following:
- Land tax is collected annually by VDCs and municipalities. Concerned VDCs and municipalities get 75 percent of the land tax, and 25 percent goes to the concerned DDC.
- House and land sales/registration between DDC and central level (five to ninety percent of the revenue depending on the amount collected as specified in the LSGR). District Land Revenue Office collects such tax and the share is distributed among local governments accordingly.
- Central level gives a share of royalty to concerned DDCs: mines (50 percent), forest resources (10 percent), hydropower (initially 10 percent, but now 50 percent)[5], and tourism fees (30 percent).

The revenue gain from revenue-sharing schemes of highly resourceful local bodies (rich in hydropower, places of tourism attraction, growing town/cities where transac-

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[5] The royalty from hydropower is distributed to all districts in the development region. The district where the hydropower plant is located gets 24 percent and the rest is distributed to other districts in the region.

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tion of land is high) is very significant. Such revenue predominates over other incomes of many resourceful districts (table 32). It shows that the major source of internal income in DDC has been changing since the enactment of the LSGA. More than one-third of DDC's income (39 percent) comes from revenue-sharing (among different levels of government and local bodies) and royalty, which are new schemes of the LSGA.

Table 32: Internal resources of DDCs and revenue sharing in 2000/2001

Type/category	Amount (Amount in NRs. '000)	Share in total revenue composition (%)
Infrastructure tax	32,667	5.39
Resource utilization tax/ and sales	241,548	39.85
Service charges and fees	41,920	6.92
Revenue-sharing among different levels of government	238,571	39.36
Others	51,390	8.48
Total	606,096	100

Source: Adapted from ADDC/N, 2005

Royalty from tourism fees and hydropower production is encouraging and could be expected to boost the finance of the local governments and thus enable them to attract investment in the concerned sectors. However, since it is not common among all DDCs and other local bodies, bringing about equity in resource distribution is still a central issue.

However, ambiguities in the revenue base, sharing process and methods, jurisdictional conflicts (both territorial conflicts and conflicting legal rights) and regressive structure of the tax rates are major problems of the newly introduced revenue-sharing scheme. There are some districts that do not get any benefit from the scheme. Thus, evidently this kind of revenue distribution has widened the gap between districts and regions, and hence demands an equalization of funds to address the inequality issue.

In the case of municipal bodies, they get a share of Local Development Fees, which are collected at customs points by Customs Offices (1.5 percent of total value of goods imported) and deposited in the central treasury before the same is distributed back to municipalities through the MLD. In MLD, there is a separate committee consisting of different stakeholders including a representative of MuAN that decides on the transfer of the funds. This fund is not shared with DDCs and VDCs. It forms the largest portion in municipal revenues.

Table 33 shows a comparative picture of grants and internal income of DDCs while both are almost equal in terms of amount and shares. There is a significant increase in internal revenue of DDCs since the enactment of the LSGA.

Table 33: DDC's total annual income in 2000/01

Type/category	Amount (NRs./'000)	Percentage
Grants	604,927	49.95
Internal revenues*	606,096	50.05
Total	1,211,023	100

Source: ADDC/N, 2005   * *including revenue sharing and royalty*

To encapsulate, the effectiveness of such vertical and horizontal revenue is still a subject of scientific study. However, the revenue-sharing scheme encompasses a number of stakeholders and creates common avenues for comparing the tax burden together with development benefits in a larger context. It may encourage collection efficiency and effectiveness by close monitoring of local governments and key stakeholders at the source of revenue. It applies largely to locally-collected revenues such as tourism entrance fees and registration fees.

Imbalance between different development regions and different geographical regions is another issue. Distribution of grant and internal resources of the DDCs across the geographical regions in the year 2000/2001 is given in table 34.

Table 34: Distribution of grant and internal revenue of DDCs, 2000/2001

Regions	Grant and other external support		Internal revenue (with revenue sharing)	
	Amount (NRs. '000)	%	Amount (NRs. '000)	%
Terai	921,695	33.97	327,448	54.03
Hills	1,378,819	50.82	254,315	41.96
Mountain	412,769	15.21	24,333	4.01
Total	2,713,281	100	606,096	100

Source: ADDC/N, 2005

Internal revenue is highest in the Terai region (54 percent) followed by the hills (42 percent) and the Mountain region (4 percent). In terms of total amount, the hills receive the biggest slice of grant and other external support (50.82 percent) followed by the Terai (34 percent) and Mountain regions (15.21 percent).

Ecological consideration in resource distribution

Table 35 shows that per capita internal revenue of DDCs is higher in the Terai region. It is largely because of easy accessibility and concentration of economic activities. Per capita internal revenue in the mountain region is the lowest. It is because of poor accessibility and lower level of economic activities. However, per capita grant is highest in the mountain region, which compensates for the lower level of per capita internal revenue in the region.

Table 35:   Geographical distribution of resources in DDCs in 2000/2001 (NRs.)

Regions	Population (2001)	Per capita grant	Per capita internal revenue (including revenue sharing)	Per capita internal revenue (excluding revenue sharing)
Terai	11,212,453	82.20	29.20	19.98
Hill	10,251,111	134.50	24.81	14.13
Mountain	1,687,859	244.55	14.41	6.46
Total	23,151,423			

Source: CBS, 2001 and ADDC/N, 2005

Accessibility factors have been considered through cost index in the grant distribution that is applicable in hill and mountain regions.

In Nepal, per unit cost of service provision is higher in the hills and mountains than in the Terai. It is mainly because of high transportation costs due to poor accessibility caused by lack of proper roads or their poor conditions and weak networks. Table 36 shows the cost index across the regions.

Table 36:   Cost index

Ecological regions	Cost index*	No. of district
Upper Mountain	3.0	7
Lower Mountain	2.5	9
Upper Hills	2.0	21
Lower Hills	1.5	15
Kathmandu Valley	1.0	3
Terai (Southern Plain)	1.0	20
Total	-	75

*Note: * The bigger the cost index figure, the higher the development cost.*
The criteria of calculating cost index are not clear.

Source: Shrestha, 2002a: 38

Municipal revenues

There is a huge variation in tax and non-tax revenue collection at municipal levels (table 37).

Table 37:   Per capita revenue (NRs.) of municipalities (extreme cases)

Municipalities	1997-98	1998-99	1999-2000	2000-2001
Increasing				
Banepa	868.15	867.80	1899.34	1788.45
Bhaktapur	912.21	925.58	1000.80	1447.22
Dhulikhel	1341.25	1336.20	1539.20	1555.62
Panauti	336.65	158.30	466.99	412.56
Almost stagnant				
Damak	159.89	197.25	162.36	159.84
Dharan	307.47	286.79	301.24	312.33
Kalaiya	301.21	219.41	355.10	316.66
Triyuga	51.68	76.66	54.11	54.00
Decreasing				
Ratnanagar	399.11	406.39	268.80	215.70
Hetauda	444.36	467.72	379.88	352.25
Inaruwa	248.08	269.08	213.08	179.28
Itahari	448.45	385.53	361.19	370.84
Average of 58 municipalities	315.14	294.86	349.68	373.73
Standard deviation	288.0048	278.8954	356.9207	374.0469
Minimum	29.65	30.68	30.58	54.
Maximum	1341.25	1336.20	1899.34	1788.45

Note: The revenue includes Local Development Fees too.

Source: MLD in Shrestha, 2002a: 29-30

Similarly, table 38 shows per capita grant distribution among the municipalities (selected extreme cases only).

Table 38: **Per capita grant (NRs.) transferred to Municipalities (extreme cases)**

Municipalities	1998		1999	
	Population	Per capita grant (NRs.)	Population	Per capita grant (NRs.)
Banepa	14,483	13.81	14,747	20.34
Bhaktapur	73,945	2.70	75,682	3.96
Dhulikhel	9,548	31.42	9,516	31.53
Panauti	21,253	145.86	21,368	133.38
Damak	61,704	38.90	64,876	38.54
Dharan	97,665	4.10	102,480	5.85
Kalaiya	21,810	128.38	22,263	112.29
Triyuga	46,925	91.64	48,450	82.56
Ratnanagar	31,124	81.93	32,092	49.86
Hetauda	76,619	13.05	800,074	7.49
Inaruwa	26,295	121.70	27,468	105.58
Itahari	32,901	63.83	33,874	27.23
Highest 3 recipients				
Dipayal-Silgadhi	15,201	210.51	15,599	211.55
Dasarath-Chand	19,545	204.66	19,768	187.17
Narayan	17,085	204.86	17,286	185.12
Lowest 3 recipients				
Kathmandu	682,855	0.45	701,499	0.57
Lalitpur	157,475	5.72	163,632	1.83
Pokhara	168,806	2.37	181,314	3.31
Total of 58 munici-palities (NRs.) and per capita average	3,136,946	39.67	32,69,499	35.57
Average of 58 municipalities	54,085.28	85.86774	56,370.67	79.64358
Standard deviation	89172.16	66.51885	94421.32	64.01828
Coefficient of variation	1.648733	0.774666	1.675008	0.80381
Minimum	9548.268	0.452588	9515.804	0.570207
Maximum	662855	210.5113	701499.4	211.5472

Source: Adapted from Shrestha, 2002a: 31-32

The difference between minimum (Triyuga Municipality) and maximum (Banepa Municipality) per capita revenue collection (including the transfer and Local Development Fee) during fiscal year 2000-2001 was more than thirty folds. The imbalance was even higher in the previous year (1999/2000). Fiscal variations are not fully addressed by the transfer of the Local Development Fee which is the principal transfer instrument used by the central level to the municipalities.

Based on the data analysis of 31 DDCs, Shrestha (2002a: 11) notes: "correlation between per capita grant distribution and per capita income at the district level is very poor (coefficient of correlation - 0.15) despite the central government authenticities' claim that they attempt to grant fair distribution by allocating more to the poor and needy regions and by giving less to the richer regions. The coefficient of correlation is only 0.23 in the Human Development Index."

It appears that fiscal transfer, particularly the development grants, does not properly correspond to the decentralised functions and responsibilities, fiscal need, capacity and associated equity concerns. Furthermore, a less transparent distribution system, delay in transfer and uncertainty of the development grant are other related problems. The grant amount, for example, was cut (by 25 percent to 50 percent) in 2000/2001 because of increasing expenses on the security front. Meanwhile, as discussed earlier, distribution of the development grant is still highly affected by political favour although the MLD has started applying transparent criteria (see previous section of the chapter) and distribution formula as of 2003.

The financial instrument used as political tool: the core problem of fiscal transfer

In the context of fiscal transfer Shrestha (2002a: 10) notes: "Nepal's fiscal transfer system is basically ad hoc […] across both vertical and horizontal dimensions. The divisible pool is determined each year by the parliament through budgetary allocation proposed by the Ministry of Finance." There is no systematic basis or transparent system to know how much would be required (revenue adequacy) for the local government functions and how the allocated amount will be determined. For about two decades, the distribution of the grant among the local governments was not based on clear objectives or transparent criteria or formulae. The practice of earmarking some funds from the divisible pool and distributing them in different times during the year is another dimension of the ad hoc transfer system. Shrestha (2002) further notes that in 1999 the size of such a fund 'politically' earmarked was around 3 percent of DDC grants and around 5 percent of municipal grants.

Distribution of development funds and construction materials (polythene pipes and others) directly from the centre was in use in Nepal during the 30 years of centralised *Panchayat* oligarchy (1960-1989). Some of the practices have been retained even after the restoration of the multi-party system. Tendency on the part of the ruling party to have an upper hand in the affairs of the state is one of the reasons why fiscal transfers have not changed. Such a policy has not gained new height since the year 2003/2004 when the formula-based grant system was introduced. However, there are no policy decisions made yet even as there is no assurance that such a system may not be revived again.

There is another practice of funds allocation which is done through the sitting Member of Parliament (MP). Each Member of Parliament is entitled to NRs. one million every year, which he/she can spend to support development activities in his/her constituency. Individual Members of Parliament can personally approve the

project based on his/her desire but the funds are released through the concerned DDC. In most cases, the use of such funds has invited conflict and/or culminated in duplication of development activities and priorities. Such parallel funding discouraged decentralised local governments and promoted individual-centred use of public funds.

Apart from the inability of the central level in addressing variations of transfer systems, wider horizontal gaps are setting in the local governments mainly due to the following reasons:

- *Varying fiscal capacity of local bodies:* Generally speaking, local governments have different fiscal and managerial ability to raise revenue from their internal sources, which results in fiscal disparities across jurisdictions.
- *Differences in natural resource base:* The major source of internal income in any DDC is the sale of natural resources (see table 27). This renders the revenue base natural-resource dependent. Some districts which have a rich natural resource-base and a good transportation network have a phenomenal income compared to other districts which do not have either natural resource-base or transportation network.
- *Difference in economic base and potentialities:* This is another common and natural factor which creates differences in the horizontal level and is evident in Nepal. The municipalities which are on the periphery of the Kathmandu Valley, for example, Banepa, Dhulikhel and Bhaktpur have a high-level income (see table 37). It is not because of their good economic base, but because they are supplemented by their capacity and other production factors.
- *Differences in accessibility and other factors:* There are also great variations in the expenditure needs across local governments. Factors consist of differences in size (geographical area), high variation in the cost of service, differences in the level of economic development and vast differences in HDI.
- *Sub-national borrowing*: The amount coming from loans or borrowing is minimal (1.2 to 3.4 percent). Regardless of this the municipalities have been utilizing this amount. Institutional arrangement for loan for municipalities is Town Development Fund Board (TDFB) which is mainly supported by the GTZ and partners. There is no such financial institutional arrangement to support DDCs and VDCs when it comes to meeting fiscal borrowing needs. These fiscal instruments are not common and are generally restrictive in order to force local governments to invest in the productive sector.
- *Equality concerns in fund transfer*: This applies to VDCs. Each VDC gets NRs. 500,000 per year regardless of geographical region (Terai, hill or mountain), population size, level of economic development, and internal revenue. There are some VDCs in the Terai region where internal revenue is higher than a number of DDCs of hills and mountain regions. Similarly, the importance of population size in grant distribution has been underestimated (only 20 percent weight) in the grant distribution criteria.

To summarize, the above discussions show that there are vertical and horizontal fiscal imbalances which the policies and fiscal instruments do not properly address. Conflicting laws and centralised attitudes of stakeholders further complicate the entire fiscal decentralisation process. It is not an easy job to define the fiscal need of different levels of government. It is not only the fiscal issue, but a complex political issue in the broader decentralisation policy framework. In practical terms, it is very

difficult to objectively measure the expenditure needs of local governments due to the subjectivity element in specifying quantity and quality of public services. This affects the exact determination of expenditure needs. Consequently it is equally difficult to define the level of 'revenue adequacy' required to bridge fiscal imbalances. This raises the controversy with respect to the presence of the degree of vertical imbalances in the system. Nevertheless, the inadequate level of revenue mobilization and high dependency of local government on the central government can leave local governments unable to fulfil its expenditure obligations at a desired level (Martinex-Vazquez 2002 in Shrestha 2002a: 8).

Weak financial management capacity of local bodies

Recent data show that budget volume of districts has been significantly increased, but the financial management capacity has not improved accordingly. From this point of view, capacity-building evolves as a burning issue rather than the adequacy of financial resources (table 39).

Table 39: Budget release and project implementation status

Year	Total budget of 63 DDCs (NRs. '000)	Average budget release (%)	No. of carry over projects (uncompleted)	New projects/ No. of agreements made
2001/02	197, 000	80	2,918	10,854
2002/03	318,000	61	4,163	5,531

Source: MLD, 2004.

Table 39 shows that the implementation of local development programmes and projects have been heavily affected in the year 2002-2003. The number of incomplete projects have increased significantly (4,163) in comparison to the previous year (2,913) while the number of new projects has dropped by almost 50 percent (from 10,854 to 5,531). Similarly, the rate of budget release has dropped from 80 percent in 2001/2002 to 61 percent in 2002/2003. All these facts and figures indicate that development activities have been badly affected at the local level.

Table 40 shows, furthermore, that there is a significant amount remaining unspent and carried forward to the next year. This is becoming a serious problem in local bodies. Thus, about one-fourth of the financial resources are being forwarded from the previous year.

Table 40: Balance forwarded/carried over from previous year in DDCs (2000/01)

Type/category	Amount carried over (NRs. '000)	% of total budget
Terai	375,240	23.10
Hills	555,349	25.38
Mountains	111,143	20.27
Average	1,041,732	23.89

Source: ADDC/N, 2005

This indicates that time over-run or delay in implementation of development activities is a common problem in all ecological zones. It is relatively higher in the hills.

Major reasons identified (through documentary review and exploratory interviews, 2003-2004) for the deteriorating development situation at the local level are:

– Absence of elected political representatives in local bodies since July, 2002.
– Growing conflict and worsening security situation particularly in rural areas.
– Less accountable and weaker performance-based bureaucratic practices.
– Absence of Local Development Officer, Engineers and other key officials in rural districts for a long period.
– Frequent transfer of Local Development Officers and Engineers.

It appears that what makes the difference is the accountability mechanism. Civil servants working at the local level are not accountable to respective local bodies and/or local people, but are accountable to their sectoral departments and ministries (upward accountability). The central level agencies are not sensitive enough to take action for poor performance of their local agencies.

Summary: problems of fiscal decentralisation in Nepal

1. Roles and responsibilities are at cross-purposes between central and local governments and expenditure assignments do not correspond to the decentralised functions.
2. Fiscal transfer from centre to DDCs, VDCs and Municipalities constitutes more than 44 percent (2002-2003), 77 percent (2002-2003) and 60 percent (1998-1999) respectively (see table 30). Therefore, the local governments are highly dependent on the central level.
3. Hesitation on the part of the central level to consolidate sectoral responsibilities as local functions as devolved by the LSGA gives enough space to question the commitment of the central government towards political as well as fiscal decentralisation.
4. The existing transfer system does not have a clear goal or objective, which is theoretically considered one of the prerequisites of a sound transfer system. The transfer has not been handled as a system to support decentralisation. The fact that no prior notice is given to local governments while reducing approved grants shows that the issue is managed in a very ad hoc manner that severely curtails local planning and implantation.
5. The practice of earmarking funds for undisclosed purposes is dangerous for the decentralised local governance. The release of funds is prone to uncertain reduction and discrimination.
6. In case of DDCs and Municipalities, the use of a formula including human development may help to address equity concern to a certain extent. However, population size has not been considered properly in funds transfer.
7. It is very difficult to say that the current transfer practice provides incentives to local governments to improve their efficiency. The size of the transfer volume (about 4 percent) itself is very small and highly constrained by the interference from the centre. Budget mobilization controlled by the central level through line agencies constitutes a larger proportion of total public expenditure in the districts.

8. Finally, the main bottleneck at this moment is the local management and administrative capacity. The central level has not given proper attention to capacity development of local bodies. Furthermore, local bodies have not been properly empowered to handle all projects that can be financed even under the existing financial regime.

It can be concluded here that the status of fiscal decentralisation in Nepal is weak and immature. The structure and mechanism of fiscal transfer is very vulnerable, unstable and politically motivated. Weak planning, poor development and the financial management capacity of the local bodies are serious issues. The overall capacity of the local bodies to exercise their power under the decentralised regime is limited. This has culminated in slowing down the overall decentralisation process in Nepal, ruling out effectiveness and immediate good results. The absence of political representatives at the local level since July 2002, and the growing conflict have remarkably slowed down the processes of local development, decentralisation and local governance in Nepal.

3.9 The current conflict, its socio-economic context and decentralisation

The current conflict and its socio-economic context

For a long time, Nepal was known as a peace-loving country being the birthplace of Lord Buddha. The Maoist insurgency with its armed guerrilla warfare tactics has been ongoing since 1996. Following the violation of a ceasefire after three rounds of failed talks on August 27, 2003, the continuing violence has pushed the nation to the brink of civil war. Moreover, the insurgency has also destabilized some northern parts of neighbouring India. The violent campaign has not only changed the political landscape of Nepal, but has also deeply traumatized mutual trust and social networks.

Table 41: Key causal factors of the insurgency

Key causal factor	Aspects of the factor
Political grievances	- Poor record of governance - Legal and constitutional problems (e.g. ineffective electoral system) - Corruption - Inadequate separation of powers
Economic grievances	- Poverty and growing inequality - Unemployment and underemployment - Missing land reforms
Regional Inequality	- Disparity in allocation of resources
Class, caste gender and ethnic factors	- Alliance of economic and political power - Caste discrimination, exclusion of *dalits* and minority ethnic groups - Gender inequality

Source: Karki, 2002 in Collins et al., 2003

Karki (2002 in Collins et al. 2003: 38) illustrates the key causal factors of the insurgency in different categories (table 41). He describes four different categories of key causes of the insurgency, covering political, economic and social factors. However, the political factor is the leading cause of the Maoist movement, which is deeply associated with power and participation issues in broader terms. The current conflict can be seen as both the cause and effect of ineffective decentralisation and poor governance. Corruption, nepotism and favouritisms, ineptitude and failure to deliver material benefits to the rural areas and the poor continued even after the restoration of multi-party democracy in 1990. Furthermore, increasing unemployment could not be addressed and gaps between rural and urban areas have become more evident.

The multi-party democratic process which began with the elections of 1991/1992, four years before the conflict, could not be inclusive enough in practice to get proper representation of diverse ethnic and cultural interests of Nepalese society. Small political parties were largely ignored in parliamentary and other state affairs. Therefore small political parties, including the Maoist party, which took part in parliamentary elections twice, felt left out of the mainstream of politics. Thus, the representative model of democracy could not properly address the interests of minority groups in governance practices. All these factors produced more and more dissatisfaction among extremist political activists and the people in rural areas, which the Maoists used as a breeding ground for their movement at the early stage. How to address the underlying socio-economic and political causes of the current conflict in Nepal is one of the burning challenges of democratic governance.

The emerging challenges

There are a number of political, economic and social implications of the armed conflict in Nepal. The conflict has hampered the decentralisation process by disrupting local and general elections, throwing up challenges to the democratic system and participatory democracy. At the same time, the conflict also can be seen as a reaction to the centralised system with its exclusionary political process and poor governance. In this context, one of the remarkable statements of the former elected DDC officials is worthy of quoting: "Where decentralization brought development, there are no Maoists." The statement explicitly indicates that the decentralised system offers better avenues for development, which helps to manage conflicts at the local level. The statement represents the ideas of many interviewees (exploratory interview 2003-2004).

Politically speaking, the Maoist movement ultimately challenges all existing political structures of the country, both at the central and local level, which are in place since the enforcement of the constitution of 1990. In the recent years, the conflict has threatened to stop the entire democratic process and led to the virtual collapse of democratic institutions since local and national elections could not be held (see chapter 8.8 for details).

3.10   Decentralisation practice: summary of challenges and issues

This chapter summarises the discussion of previous sections focusing on the challenges and issues of decentralisation in Nepal. It includes an overview of the implementation aspect – how decentralisation is practiced in reality.

Overarching political issues

Decentralisation as an administrative and political slogan

Decentralisation was merely an administrative and political slogan during the *Panchayat* oligarchy. The central level had controlled the resources, and the local bodies were treated as 'de-concentrated agents' of the central government. The central level's autocratic legal authority - suspending or dissolving the local elected officials without any genuine reason was exercised frequently as an instrument to control and make the local elected officials always loyal to the centre rather than to their constituents. Shrestha (2002a: 5) explains: "One of the main reasons was that there was no political incentive, or perhaps genuine political wish to exercise the provisions made in the laws, because of the patronage and vertical loyalty created by the political system."

Shrestha (ibid: 6) further notes the situation after the restoration of multi-party democracy in the country, "Although there is a high degree of political decentralisation after 1990, the lack of clear division of responsibilities between different levels of government, mismatch between responsibilities and revenue sources, poor revenue assignments, lack of well structured borrowing power along with poor incentives and structures for fiscal autonomy and accountability ruled out a significant move towards effective fiscal decentralisation. No wonder, the central government transfers still constitute the largest source of local government revenue in Nepal."

Political instability as a major challenge of decentralisation

Nepal chose its first democratically-elected government only in 1991 after the restoration of the multi-party system. The parliament never completed its full tenure, and was dissolved three times by ruling political parties mainly due to their own internal leadership and power conflicts. The Supreme Court reinstated the dissolved parliament once but the parties came down heavily saying the prerogative of the Prime Minister had been curtailed. Meanwhile the accelerating Maoist violence engulfed the country in much more unstable politics.

A state of emergency was declared in November, 2001 following ongoing violence perpetrated by the Maoist rebels. King Gyanendra for the first time mobilized the Royal Nepalese Army (RNA) and ordered the rebels crushed. Parliament was dissolved on May 22, 2002, and fresh elections were called amid political confrontation over extending the state of emergency. Prime Minister Sher Bahadur Deuba was expelled by his Nepali Congress (NC) party. But Deuba continued leading the interim government by renewing the state of emergency.

In October 2002, the major political parties urged Deuba to recommend the constitutional monarch to put off elections by a year, citing unabated Maoist violence. Instead, King Gyanendra immediately dismissed the Deuba government putting off the election indefinitely. The king appointed Lokendra Bahadur Chand as the prime minister following the failure of the major political parties to recommend their common candidate within the timeframe set by the constitutional monarch.

Meanwhile, the five-year term of the local governments ended by mid-July 2002 and the government did not extend the term largely because the local bodies were controlled by the opposition parties. The dissolution left no democratic institutions functioning, which continues to date (January, 2006).

Decentralisation, which was the key political agenda from 1990 to 2000, is no longer a priority now. Thus political instability backed by different power games remains the main debilitating factor when it comes to institutionalizing democracy and decentralised governance. One can imagine the political instability when the small Himalayan Kingdom has had 13 prime ministers since 1991, and four since 2002 (as of the end of January, 2005). The monarch took over power and declared a state of emergency on February 1, 2005. A panel of appointed ministers chaired by the King himself now rules the country (March 2006).

The period after 1996 to 2002 has seen the worst political instability and power struggle. The constitutional monarch along with the army, political parties, and, of course, the Maoist insurgents form three dimensions of the power struggle. To put it briefly, democracy and royalty have had a difficult relationship in Nepal for a long time. The beginning of the armed violence in 1996 further complicated the situation. The result now is that the power struggle has further concentrated the power at the centre. The local level is left without any say, and not in a position to generate any power with the rationality they have.

Centralised mindset and internal politics of major political parties

The Constitution of Nepal 1990 encourages political parties to be more democratic themselves. "The Constitution of the Kingdom of Nepal 1990 is different from the constitution of other countries in South Asia, including India. No other constitutions mention provisions relating to intra-party democracy within political parties. The constitution also requires making separate laws relating to political parties to ensure that they are democratically structured and their transactions are transparent" (Rai 2004: 12).

All the major parties got chances to form either majority or minority governments during the 12 years (1991-2002) of multi-party system. However, no political party took initiative to prepare and enforce a legal framework to make the constitutional provisions operational to ensure internal democracy and the regulation of a transparent financial system within the party. Similarly, the constitutional 'Right to Information' was also not put into operation by enforcing an appropriate legal framework in place on time. The internal structures of the major political parties are much centralised, there are less democratic practices inside the party and their financial statements are not publicised for the general public. The leading parties are still family-dominated and election does not determine party composition, rather nomination dominates the key positions. All these reasons show that the political parties fear democratic practices and transparency, and hence fall short of intra-party democracy, let alone streamlining desired internal procedures. The organisational culture, attitudes and values have had negative impacts on the implementation of decentralisation.

The recent phenomenon

For the last couple of years, there are almost no democratic institutions representing the people either at the central and local level except the political parties. There is no parliament, no democratic government and no democratically-elected local bodies since July, 2002. The country has been standing in a very difficult mode with serious armed conflict. It is estimated that more than 11,000 lives have been lost and more

than 200,000 people have been displaced (August, 2005). General and local elections have been put on hold. Democratic and legal frameworks are in place but these are not in vogue right now. Almost all the affairs of state have been centralised. Similarly, the civilian administration is almost defunct while the army is in the dominant position influencing the affairs of the state.

The political parties have been protesting for the revival of the democratic system, but their activities are concentrated only in Kathmandu, the capital city. There are no political activities at the local/district level due to violent conflict (August, 2005).

Issues in institutional framework and implementation

Contradicting laws

Meanwhile, as discussed above and referred to frequently, the series of conflicting laws appeared to be one of the key hurdles that ruled out sectoral devolution in Nepal. The laws listed are found to be conflicting with the LSGA (appendix 4).

Amendment proposals have been drafted to repeal the Acts. The government had tabled an Amendment Bill to amend ten Acts out of the proposed 23 during the 20th session of parliament. However, the Bill could not be passed due to the dissolution of the House of Representatives. Therefore, contradictions of other Acts with the LSGA are still in place.

On top of all this, the accelerating political conflict and the disagreement of insurgents with the existing political establishment, diverse interests of political parties, and the King are the biggest challenges related to the institutional framework of decentralisation and the entire democratic setup of the country (see political instability as discussed above).

Weak implementation of decentralisation policy

Weak implementation of the current legal framework (LSGA) is more crucial than the legal framework itself. The implementation of the LSGA has not been as effective as conceived at the beginning. Table 42 summarises the implementation status of legal framework of decentralisation in Nepal.

Table 42:   Implementation status of the LSGA in 2003

Benchmark	Status
Elected local officials and Council	Yes: local body officials are elected for 5-year terms. However, due to the conflict situation, nominated local body officials are there at present.
Locally appointed officials	No: Chief Executive Officers in Municipalities, key officials in DDC and all staff of line agencies are assigned from the central government.
Locally approved budget	Yes, but effectiveness is limited. DDC and Municipality budgets are prepared and approved by respective council under the guidelines and budget ceiling provided by the central government. However, the central government can add or remove programmes and can modify priorities.

Benchmark	Status
Absence of mandate on local government as regards employment and salaries	Yes, partially: local bodies can hire staff and fix salaries except for the Chief Executive Officer, Planning Officer and Accountants who come from the central government.
Control of local bodies on revenues/ resources	Yes, partially: local bodies are assigned some authority for tax collection and resource mobilization within the criteria fixed by central government. Central government distributes the local development fees to municipalities which are collected at the customs points. Authority for sale of defined goods and objects is given to local bodies. Revenue sharing between local bodies and central government in some of the specified areas is practiced, such as land and house registration, electricity, tourism, forestry, etc.
Borrowing power of local government	Yes, but quite difficult provisions, not exercised: Some municipalities have however obtained loans for different activities from Town Development Funds.
Transparent intergovernmental fiscal transfer system	Yes, partially, HMG/N has recently prepared a formula-based grant distribution to DDCs. General purpose (unconditional) grants including administrative grants are provided by the central government to local bodies on ad-hoc basis.
Clear expenditure assignment	No, much overlapping between local bodies and central government prevails.
Capacity of local bodies to collect tax and deliver services	Very low: Inadequate capacity-building programmes have been launched to strengthen this.
Adequate books of account	No, account books in most of the local bodies are prepared manually and many of them are not maintained properly. Very few DDCs have account and internal audit sections.
Central government's ability to control and monitor progress of effective fiscal decentralisation	No, there are several committees including one chaired by the Prime Minister. However, it is not active and effective enough.

Source: Adapted from LBFC, 2004: 23

Table 42 clearly shows the mixed results of the implementation of the legal and regulatory framework of decentralisation in Nepal. The contributing factors include inadequate seriousness on the part of the government and the absence of a driving force or a 'decentralisation champion' at the centre. The matter is further complicated by insurgency and political instability (LBFC 2004: 22).

Duality in decentralisation modalities and institutional set-up accountable to the centre

The root cause of conflicting laws (appendix 4) and conflicting roles between different levels of government and line agencies go back to the 1960s. The conflict can be linked with the differences in conceptual models of decentralisation. Nepal has initiated administrative decentralisation in the form of deconcentration (through line agencies) and delegation (applied to public corporations and local bodies to some extent) models (figure 12).

Figure 12: Delegation/de-concentration model (1960-89)
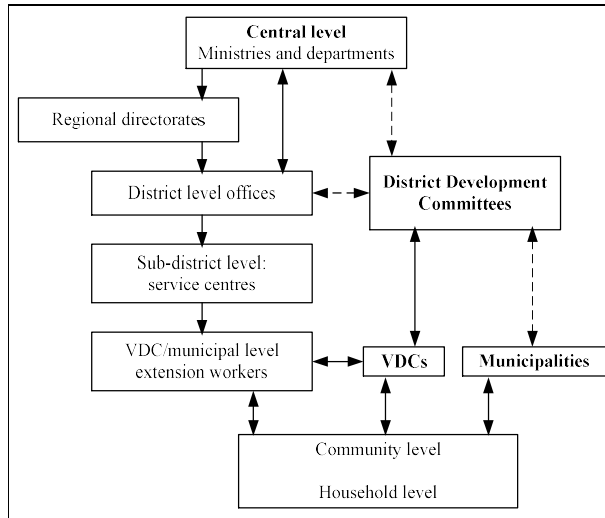
Source: Author's construct (documentary review, 2002-2003)

Decentralisation was introduced in a piecemeal manner while the pace was very slow under the *Panchayat* system. After experimenting for about 20 years, the deconcentration model was institutionalized in 1982 through the Decentralisation Act. The line agencies have been functioning more or less under the same administrative decentralisation model that was put in place three decades back while the local bodies have grown in a spirit of political decentralisation (devolution) particularly since 1990 (figure 13).

Figure 13: Tension between central level institutions and local bodies, 2003
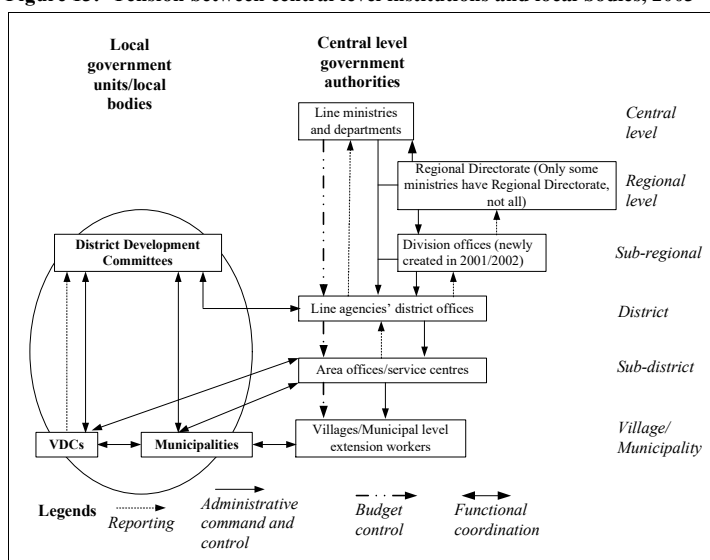
The LSGA demands shifting decentralisation model from de-concentration/ delegation to devolution as shown in figure 14.

Figure 14: Shifting of decentralisation model: administrative to political
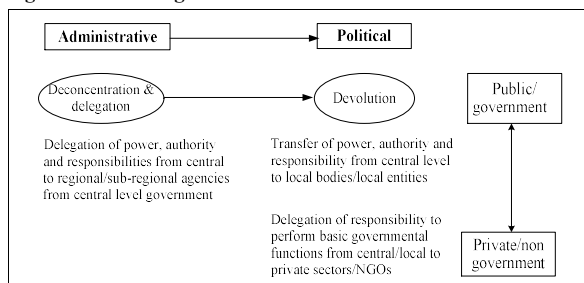
The structural part particularly concerned with the line agencies, however, remains the same even after the enactment of the LSGA. While enacting the LSGA, central authorities' structures and mandates have not been modified in the changed context of decentralisation. Therefore, there is serious overlapping of roles and responsibilities, and the centrally controlled institutional set-up (line agencies) has become the hurdle in political decentralisation. The institutional conflicts are shown in figures 13 and 15.

Figure 15: A combination of de-concentration and devolution model ('91-'05)
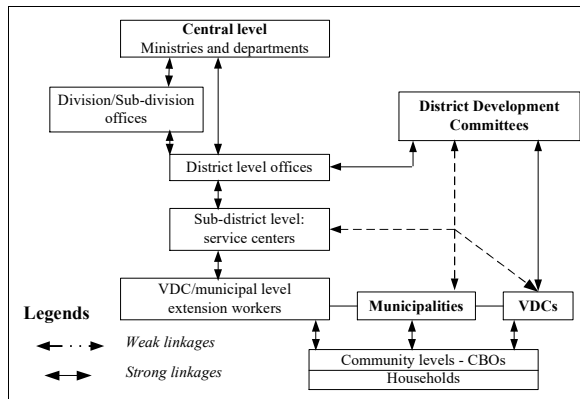
Source: Author's construct (documentary review, 2003)

Thus, the crucial institutional aspects remain the same or even more conflicting and confusing than the previous arrangement. Sectoral ministries are still in favour of extending centralised institutional framework outside the decentralised framework to better control their line agencies. Establishment of divisional level offices is one of the examples of resistance of central level agencies towards devolution (see figure 13).

Briefly, the LSGA demands redefining the roles and responsibilities of central and local agencies in political decentralisation while their administrative structures also are to be adapted accordingly (figure 16).

Figure 16: A complete devolution model (as envisioned in the LSGA)
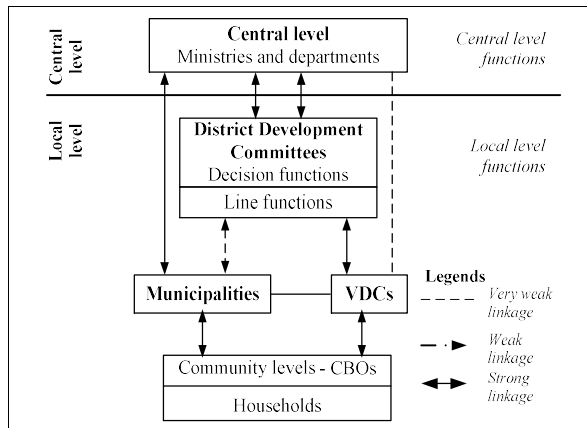
Source: Adapted from the LSGA, 1999

Centralised mentality of bureaucracy and the politicians

The Decentralisation Implementation Plan (DIP) has been prepared to effectively implement the critical provisions of the LSGA. The DIP, approved by the DIMC (Decentralisation Implementation Monitoring Committee), which is chaired by the Prime Minister, has envisioned rapid devolution of sectoral functions as a mandatory provision. However, very little effort has been made to implement these provisions. It is because of resistance from bureaucracy and political leaders as the legacy of long-standing centralised system. Such a centralised mentality is one of the determinants of ineffective decentralisation. The resistance is not limited to the bureaucracy but is also associated with the central political stratosphere as well.

There are three key reasons behind high resistance from the central level bureaucracy. First, there is long practice of centralised administrative and organisational culture. Second is the incompetent bureaucrats' fear that such changes may render them less important in the system and thus may adversely affect their income and career. The third reason is that those who have not worked at the field level in their career are not sensitive enough (lack of empathetic feeling) to the need to empower the local level. Those bureaucrats believe that field staff do not have enough knowledge, expertise and capacity to take over the functions and deliver the service in an effective manner.

The resistance from politicians comes from 3-4 different corners. Much like the case of civil servants, politicians, too, do not have any different attitude vis-à-vis the decentralisation trend. Secondly, the centralised organisational culture and lack of intra-organisation democracy renders the political parties the cornerstone of high-level resistance. Third is the fear of losing grip, power and resources.

Roles of associations of local bodies (ADDC/N, MuAN and NAVIN)

These associations have very important roles to play for effective implementation of decentralisation by resorting to advocacy and capacity-building activities (LBFC 2000). In fact, these associations have been playing a catalytic role for the promotion of the decentralised system. However, effectiveness is yet to be seen. The ambiguity associated with their role is cited as a reason for ineffective contribution to decentralisation. Shrestha (2000: 46 in Collins et al. 2003: 46) notes: their 'trade unionist' role "[…] to demand more rights and privileges from the government without any accountability to go with them."

Weak institutional capacity of local governments

Weak institutional capacity related to financial, planning and management aspects of the local governments have stymied their ability to imbibe and sustain autonomy as envisioned by the law. Debilitating issues linked with capacity culminate in rendering their absorption capacity weak, which has already been discussed in detail in the earlier sections.

Resistance to decentralisation: the power dimensions

As many stakeholders are welcomed in the local governance by the LSGA, its implementation has not shown a high degree of enthusiasm and effectiveness, although

it is too early to measure the effectiveness of such a crosscutting policy issue. There are many factors responsible for creating such a situation as discussed above.

On the one hand, the government explicitly expressed its commitments towards decentralisation and enacted the LSGA. On the other hand, the central level continues designing and implementing local development activities. Direct command and administrative control of line agencies from the central level is the nucleus problem of ineffective implementation of the LSGA which is further complicated by 23 conflicting laws. The issue of conflicting laws has not been solved yet. It shows the significance of high-level resistance not only from bureaucracy but also from the central political level. What lies behind the resistance is power.

Local governments also advocate for more devolution of power from the central level. However, their practices show that they are not willing to delegate their functions at the appropriate level, rather creating power centres around them (see centralised institutional culture under chapter 8.7 for details). Therefore, decentralisation is a very complicated policy issue that takes place gradually with a change in mentality when consistent efforts are made in favour of true decentralisation.

Government-donors' peer review of decentralisation clearly spells out the dimensions of decentralisation associated with power and resistance: "There have been strong forces opposed to decentralised government in Nepal. Some critics see decentralisation as a divisive factor in the Nepalese 'unitary' system of governance. Others are pushing for self-determination for minority groups whilst some MPs want executive and development authority to be devolved to them at the constituency level. However, most development practitioners, LGs, and civil society institutions agree that the devolution of authority from the centre to LGs follows subsidiary practices" (ADDC/N 2001: 1).

4.   Decentralised planning in Nepal: multi-level perspectives

This chapter reviews the institutional base of decentralised planning and management in Nepal. The first part of the chapter briefly discusses the central level planning from a multi-level planning perspective while the second part deals with the local level planning.

Nepal, being a unitary state, does not have a sub-national government that is constitutionally provisioned and empowered to make decisions over a specified range of government functions and services as under federal systems. Thus there is a two-tier planning system in Nepal. The central level is the first tier and the local level is the second. Local level planning includes district, village and municipal level planning.

4.1   Planning institutions and central level planning

National Development Council (NDC)

NDC is an apex planning authority in Nepal which was constituted under the late King's chairmanship on June 11, 1972. Following the restoration of the multi-party democratic system, it was reorganised under the chair of the Prime Minister on December 26, 1991 (NPC 2005). It is a large body consisting of all ministers, representatives of DDCs, and representatives of various groups and communities. Its major function is to provide directives to the National Planning Commission (NPC) on various development issues of national importance, issuing broad guidelines in formulating periodic and annual plans and programmes (NPC 2005). NPC Secretariat functions as the Secretariat of the NDC.

National Planning Commission (NPC)

NPC is exclusively an advisory body for formulating development plans and policies under the directives of the NDC. It plays important role in preparing the medium-term (five-year) socio-economic plan and annual planning and budgeting at the national level. Besides, it facilitates the district development planning and implementation by linking local plans with national level plans and programmes, providing budget estimation (ceiling) to DDCs and policy support for the decentralised planning process. It is responsible for determining the budget ceiling for the local governments and district level sectoral programmes before the start of the participatory planning process at the local level that takes place in November every year. However, it rarely sends the budget ceiling on time following the district-planning calendar as prescribed by the LSGA/LSGR.

It coordinates with different sectors in planning and programming, deals with donors, explores and allocates resources for development activities, works as a central agency for monitoring and evaluation of development plans, policies and programmes.

Historically, the NPC was created to play a catalytic role in the centralised planning system. This explains why it has such a centralised orientation, something which can be attributed to the organisational culture it evolved, while the mandates of the NPC play an advisory role. Thus, its role conflicts with those of the executing ministries and departments as well with the role played by the local governments. One can safely say that the NPC has failed when it comes to proving its role for overall planning in general and supporting decentralised planning in particular.

The five-year national plans

Both the Ninth Five-Year Plan (1997-2002) and the Tenth Five-Year Plan (2002-2007) aim at reducing poverty. Both plans have emphasized decentralisation as the prime strategy for improving public service delivery and overall governance system in an effective and efficient manner. Decentralisation has been regarded as a strategic response to the growing poverty and governance challenges. However, the LSGA does not clearly spell out the poverty reduction strategy which is envisioned in both national development plans.

The rationale for decentralisation spelled out in the Ninth and Tenth Plan documents is summarised in table 43.

Table 43:   Rationale of decentralisation outlined in the national plans, Nepal

Ninth five-year plan (1997-2002)	Tenth five-year plan (2002-2007)
- Poverty alleviation - Promoting people's participation and self-sustaining development - Efficiency, legitimacy and equity - Accountability - Gender empowerment - National integration	- Improving accountability of local bodies to the people - Improving resource allocation - Improving service delivery - Addressing regional disparities - Increasing development efforts for local resource mobilization

Source: Adapted from Ninth Plan, 1997 and Tenth Plan, 2002

The plan documents seem to be quite attractive and detailed; however, they are often not translated into practice effectively. Therefore, the NPC's role is considered to be a very controversial one and is frequently criticized by many stakeholders and civil societies. Line ministries – particularly the local governments – are the most critical partners. Some of the drawbacks and criticisms are summarised below:

– *Role conflict*: The primary role of the NPC is advisory. However, it has been acting as executive body and managing many projects which are better fitted either with executing ministry or local governments.

– *Centralised organisational structure and working procedures*: It centralises even the day-to-day planning and programming functions, increasing the volume of work and inefficiency of ministries and departments. For instance, simple adjustment of annual programme or activity demands the approval of the NPC after the concerned ministry takes a decision.

– *Resource control*: Financial resources are estimated by the NPC together with line ministries and departments in the initial phase of annual programming and budgeting. However, finance is fully controlled and often changed at the last minute by the Ministry of Finance without informing the NPC.

This rules out the NPC having any strong stake in the final stage. In this case, it plays the role of a silent observer, but still extends bureaucratic process in planning and programming.

– *Biased membership structure*: There is more emphasis on socio-economic planning, as economists dominate the NPC's membership structure. It has a relatively poor orientation toward spatial/local planning and strengthening local governance system.

– *Policy contradiction with the LSGA*: The NPC gives instructions to all local governments that do not apply to local conditions. Therefore, local governments are very critical of such instructions. The NPC's instructions mostly cross the line of autonomy of local governments.

– *Political domination*: The NPC generally works under the higher level of political pressure. Central political interests tend to minimise the local interests. In this case, District Development Plans, which reflect local needs and are passed by District Council, do not get proper recognition in resource allocation at the national level. Thus, there are conflicts between the central level and the local level in selecting projects, prioritizing and financing them.

– *Weak linkages between central and local planning*: The NPC does not give full consideration to local perspectives on planning and programming at the central level. For instance, integrated District Periodic Plans (DPPs) are prepared in many districts. However, the DPPs are not considered during the preparation of national-level (medium-term) plans. National-level medium-term plans are prepared in a much centralised fashion.

Ministries and departments

Central-level development ministries and departments play the role of sectoral planning institutions at the national level and are supported by their respective regional[6], sub-regional and district-level offices (line agencies). Some ministries have their own sectoral master plans (forestry, agriculture and health) that are integrated in the medium-term plan (five year) and annual plan and programmes at the national level.

All plans and programmes are categorized into two components (national and district) in the 'Red Book.' National level plans include those plans and programmes that cover either more than one district or serve national interest. These are managed by the central-level agencies. The second category (district level) is a package to support district level development activities. For 'district' category, line ministries have to allocate resources for their respective sectors or sub-sectors according to the district development plans approved by the District Councils every year. The NPC is responsible for balancing, verifying and coordinating those issues. However, the NPC's role is often criticized for not taking these issues into proper consideration.

4.2   Key stakeholders and local level planning

The District Development Committee (DDC) is the leading agency at district level that guides, coordinates and facilitates the district planning process while the District Council, the legislative body, approves the plan. At the municipal level, the Municipality plays a similar role as the DDC and the Municipal Council approves the plan.

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[6] Few ministries have regional offices.

Similar arrangements are made for the VDC level as well. The only difference is that while municipal and village plans are more specific, having a clear spatial orienta-tion, district plans are broader and more cross-sectoral in their nature.

There are 14 different procedural steps outlined in the LSGA and Regulations that are to be followed in participatory planning process. These procedural steps overlap with some supporting tasks of the central level planning authorities (step 1) and ultimately to the implementation of the district plan (14th step). Key steps of the participatory district planning process can be grouped as follows:

– Preparatory phase: step 1 to 4 (applicable to all local government units)
– Village level planning: step 5 to 8 (applicable to VDCs and similar to Mu-nicipalities)
– District level planning: step 9 to 14 (applicable to DDCs)

Related steps are discussed in different chapters and a summary of planning steps are included in appendix 5.

Key stakeholders of local level planning: village and municipal levels
Participatory approaches to planning are practiced at the village, municipal and the district level. A logical step of village level participatory planning is given in figure 17. Similar planning approaches are practiced in municipalities too.

Figure 17: Village development planning (VDP) process
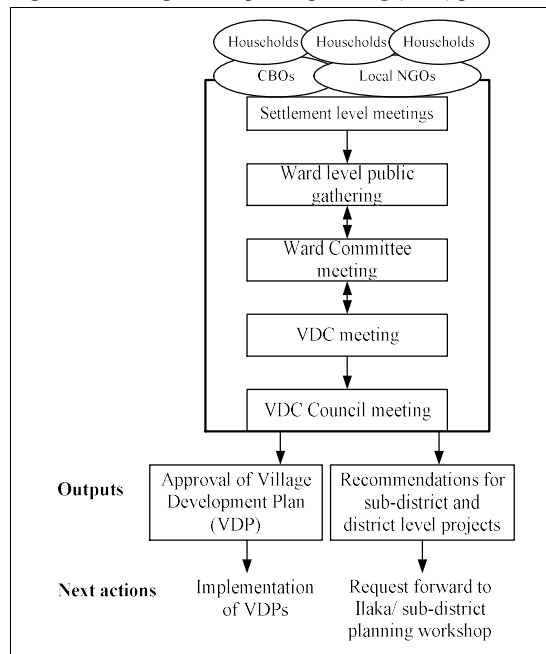
Source: Adapted from the LSGA, 1999

There are broader stakeholder groups that are involved in the different steps of the planning process. At the village level, key stakeholders are: community-based organisations (CBOs), local non-governmental organisations (NGOs), social leaders, political parties, teachers, cooperatives and VDC officials. In addition, extension workers (health, agriculture, livestock, etc.) stationed at the VDC are also the players. Similar stakeholders, but at broader level, are involved in municipal level planning process.

4.3   Central-local planning linkages

Planning linkage among the local governments is also a crucial issue at the local level. As mentioned above, national-level medium-term plan is less orientated toward spatial development issues. There are the following problems related to central-local planning linkages:

1. There are two planning levels: central and local level. This creates practical difficulties in planning linkages. The physical distance in the context of poor accessibility and communication network creates severe difficulties in planning, communication, coordination and management for both levels. These conditions contribute to further widening regional disparities in Nepal.
2. One of the most important mechanisms of planning linkages is the District Periodic Plan and the Municipal Periodic Plan that are to be prepared by the concerned local governments under the legal provisions (LSGA Clause 195 and 111). These plans are to be linked with the national plan. However, by the end of 2004, more than 50 DDCs had prepared District Periodic Plans following the legal framework and the Planning Guidelines provided by the NPC, but the central level agencies (including the NPC and MLD) are not considering these plans seriously when allocating resources and addressing the regional development issues. Some interview respondents who are the responsible officials at the central level mentioned that they have not even read these plans. Thus, they are not aware of the contents, which hinders initiatives to establish planning linkages.
3. The development issues that are beyond the jurisdiction of district level local governments are to be addressed by the national-level agencies. There is no institution coordinating local governments in tackling regional level development challenges and issues such as regional migration (rural to urban centres), seasonal employment, watershed management, regional traffic management and natural resource and environmental management, etc. District local governments are also not working in a collaborative manner.
4. There are conflicts between national interests and diversified local interests. Proper attention is not given by the central level planning authorities to address the ecological and socio-cultural diversities.

4.4   Decentralised development planning: the research issue

Decentralisation as a strategy brings authority to the appropriate level and initiates bottom-up planning and decision-making processes. Decentralisation helps change the top-down approach of public administration to a more participatory governance approach involving multi-stakeholders in the affairs (figure 18).

Figure 18: Decentralisation and its inter-linkages
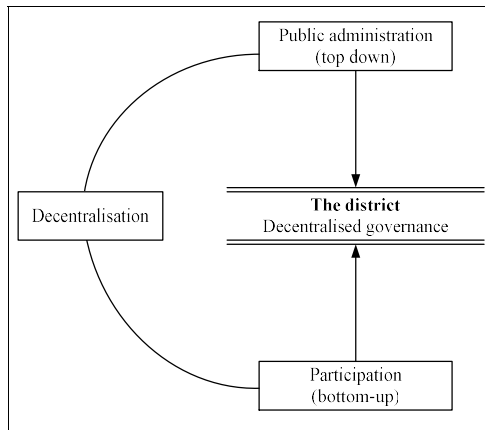
Source: Author's construct, 2003-2004

Decentralisation and district planning: generating rational power

The concept of participatory planning is guided by the political system and decentralisation policy framework. Regional planning and development are part of the complex power-relationships between centralised and decentralised actors (Poppe 1997: 9).

Effective planning and management practices help to fulfil the responsibility devolved to the lower level of government. In this sense, district planning and management is one of the most important tools for ensuring the benefit or positive effects of decentralisation. Thus decentralisation through localised planning and management practices is deemed to increase local initiative in finding creative solutions to local problems, which is the core of decentralised planning. Decentralisation does not produce expected results in an effective and efficient manner unless local development planning and management practices are institutionalized at appropriate levels. Thus decentralisation and local planning are interlinked with each other on a complementary basis and to a great extent involve power dimensions.

Figure 19 provides an overview of institutional shifting of power from the central level to the local level through the decentralisation process in Nepal.

Figure 19: The institutional focus of decentralisation
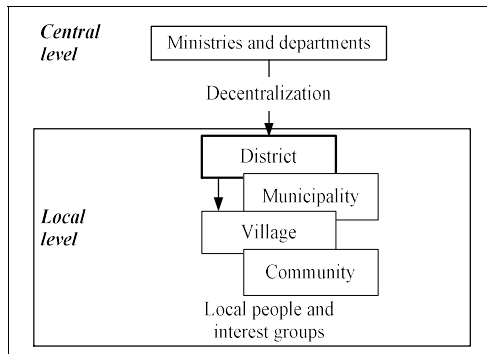
In this context, Nepal has been in the process of institutionalising participatory planning at the local level since 1999. The planning process encourages the participation of grassroots stakeholders. Thus, the planning process links the grassroots level to the district in the business of formulating the district plan. In this sense, it helps generate power through a rationalization process. A major strategy for rationalization is participatory planning and management of development activities. District Development Committees are made responsible for development activities as leading agencies within their jurisdictions. Involving a broad spectrum of stakeholders is envisioned in the mechanism; however, choosing an appropriate governance approach that promotes participatory planning is crucial to Nepal at this stage, while power and participation play critical roles. Thus, there is a direct linkage between the theoretical discussion of this study (i.e. power and participation), decentralisation and the research topic.

Theoretical clarity in the political as well administrative paradigm shift is necessary so that the expected outcome can be effectively achieved. Nepal has been facing many policies and planning problems related to decentralisation and local governance. One of the major problems is the inadequate conceptual clarity that has generated a series of political as well as administrative ambiguities and problems, as discussed earlier. Moreover, decentralisation in the specific country context can be improved substantially if the decentralisation process is taken as a continuous learning process having a proper policy feedback mechanism.

The general governance context

Despite four decades of decentralisation debates, and exercises, the speed at which decentralisation moved forward before 1990 remained slow and ineffective. The growing level of frustration of Nepalese people against the centralised political and administrative set-up and people's keen desire for a democratic way of life cumulated in the political movement of 1990 (figure 20).

Figure 20: The general governance context of the research
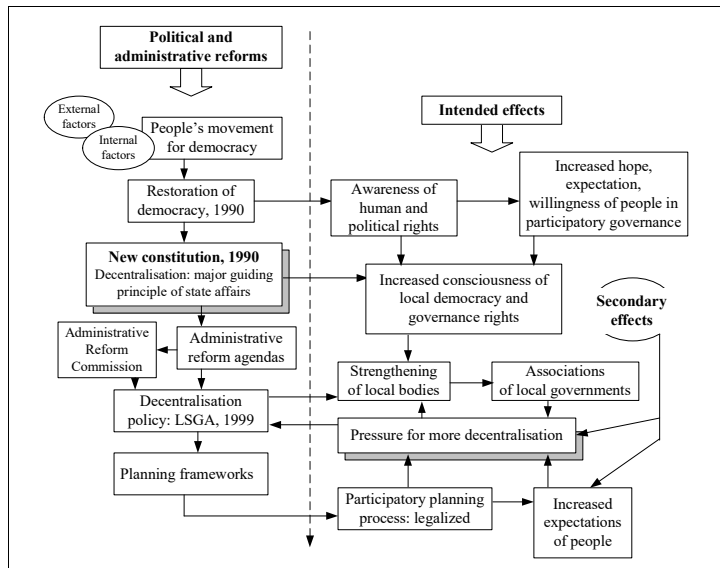
Source: Author's construct, 2002-2003

As illustrated in figure 20, public sector reform, decentralisation and the democratization process have created awareness among general citizens as well as in the district and grassroots level organisations. New opportunities were created by the new constitution (1990), which emphasises decentralised governance and an overall democratization process. This has multiplied the interests and expectations of local people, which has raised people's hopes for a better future and created further expectations.

The participatory planning process was introduced at a local level to address the growing desire of people to participate in governance activity. It demands that responsible officials be more responsive and accountable towards local people. These dimensions are presented in figure 20.

The context specific to the research: summary

As referred to many times, the LSGA (1999) is one of the responses towards addressing the demand for a more decentralised system of governance, which has changed development planning and management practices. Under this policy framework, decentralised governance is gradually replacing the deep-rooted centralised approach with more localized democratic governance approaches. The local bodies are gradually being entrusted with greater roles and responsibilities, and decision-making authority is shifting from the central level of government to the local level.

In this governance context, the following points constitute the context of the study as discussed in detail in the previous chapters:

1. The constitutional provisions: decentralisation as a major vehicle of involving people in governance affairs (chapter 3.4).
2. Enactment of the Local Self-Governance Act, 1999, which invested local governments with more authority, responsibilities and resources (chapter 3.4).
3. The participatory planning frameworks at the local level as an opportunity and a mechanism to involve people in governance activities (chapter 3.4).
4. The current national socio-economic plan (Tenth Plan) and its commitment towards decentralisation (chapter 4.1).
5. The growing armed conflict (chapter 3.9).
6. The absence of democratic institutions (3.10). While this was not a primary context when the study at hand was conceptualized, it rapidly came up in the second half of the field study as a part of the evolving political and conflict situation of the country.

5.   The research concept, problem and research questions

5.1   The research concept and problem

The research concept

The conceptual framework is the "first cut at making some explicit theoretical statements" (Miles and Huberman 1994: 91). The visual presentation, as a set of interrelated concepts, is the conceptual framework of the present study shown in figure 21 (see figure 9 for theoretical reference).

Figure 21: Conceptual framework
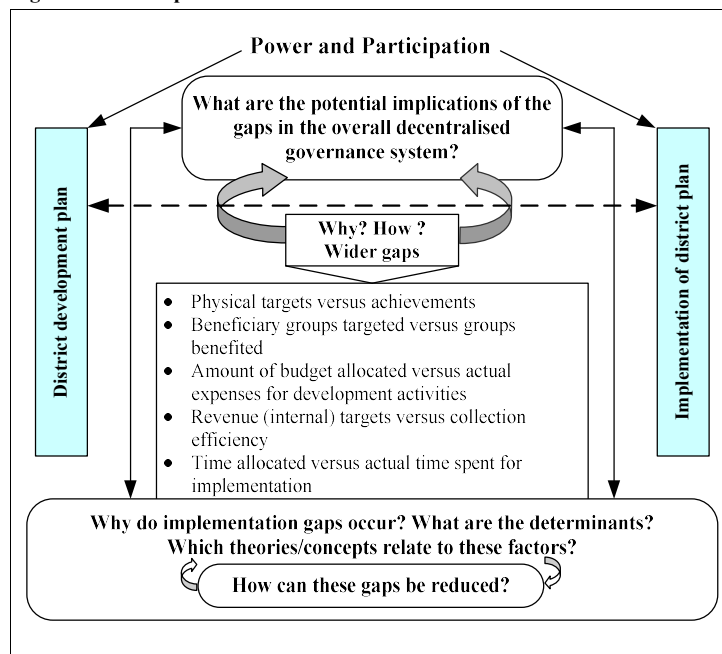
Source: Author's construct, 2002-2003

As presented in figure 21, inter-relationships between different components and concepts with research questions (i.e. gaps and related questions) are emerging in the process of district plan implementation. The degree of gaps indicates the level of the ineffectiveness of implementation of the district plan. District planning being a

governance activity, its effectiveness is directly linked with the effectiveness of decentralisation policy and the governance system.

The conceptual framework also shows the relationship of research questions to a larger theoretical construct and fundamental policy issues related to power (decentralisation), participation and district planning. In this context, Forester's observation is relevant as he notes: "Theories are also coherent accounts that serve as reminders. Powerful theories redirect us towards problems and issues we might otherwise have ignored – or from which we have been ideologically or methodologically distracted" (Forester 1993: 1).

The theory of power and participation is the cornerstone of this study, which largely determines the degree of decentralisation and effectiveness of local governance practice. These two perspectives construct a broad theoretical framework and guide the methodological path towards reaching decentralisation, district development planning and implementation, which are the focus of this study.

Some sociological theories are interlinked with the social practices which planning and management practices rely upon for their success. In other words, social cultures, institutions and values shape planning practices at local level. In this respect, social theories are indirectly linked with the study.

The research problem

Preparing a plan based on a participatory approach, as referred to in the preceding section, is evolving into a new local planning and institutional culture at the local government level in Nepal. As envisioned in the Local Self Governance Act, all key stakeholders including civil society are involved in the planning exercises every year as the development needs of the local area are explored, discussed and planning logics are drawn up. The participatory arrangements have not only created a higher level of interests of stakeholders in planning, but also raised public expectations.

Theoretically speaking, the planning exercise begins by analysing the situation of the area, development policies and the estimated budget ceilings which are to be available for the implementation of the development initiatives. The participatory district planning process starts with sub-district level planning discussions and ends with the District Council meeting, the district legislative body, when the 'District Development Plan' (DDP) is approved.

There exist a series of gaps (achievement, beneficiaries, development investment, revenue collection, time efficiency) in the implementation of the district plan in spite of decentralisation policy support and other persistent efforts towards strengthening local governance system. These implementation gaps rule out the effectiveness and efficiency of decentralisation and governance at the local level (see figure 21).

These implementation gaps can be attributed to a variety of policies, planning and management practices. The capacity and effectiveness of the local government have been questioned largely because of their inability to fulfil the commitments that they made in the planning discourse. Furthermore, the local people are increasingly frustrated over the entire state of affairs, while planners and responsible district level authorities have been losing their credibility. Finally, such ineffective implementation has been adversely affecting the newly-established decentralised governance in the country.

The research, therefore, expects to explore and analyse key issues that lead to the ineffective implementation of district plans in a broader decentralisation policy and institutional context. Furthermore, it intends to analyse pertinent decentralisation and planning issues in the light of local democracy.

The research objectives

The general purpose of the research is to explore and analyse factors contributing to widening the gaps in implementation of district plans. The specific objectives of this research are:

1. To explore and assess the major implementation gaps using five indicators as described below and in the conceptual framework (figure 9 and 21). This is the entry point of the exploratory work.
2. To explore and examine the key issues which are responsible for causing implementation gaps in the given context.
3. To evaluate and explain the potential implications of key issues in the light of local democracy and assess the efforts made by the central and district level key authorities.
4. To propose measures to improve development policy, decentralisation and planning and management practices at the district level based on the key findings.

In order to achieve the above objectives, the study mainly focuses on four aspects of decentralised district planning. Firstly, it reviews the decentralisation framework and decentralised planning practices in general. Secondly, it reviews overall district planning practices in the case district. Thirdly, it analyses decision-making processes and power dimensions at the district level. Fourth it explores and assesses the implementation of district plan and management practices in the district.

5.2 Research assumptions and leading questions

This research is inductive in nature. Therefore, the notion of this research is not to test a specific hypothesis derived from the existing body of knowledge or any theory. It intends to generate hypotheses by exploring undiscovered planning and management issues in the decentralised policy framework. The following are the research assumptions:

1. The degree of power sharing and level of participation of stakeholders have a direct relationship, which determines the effectiveness of district planning and implementation.
2. The parallel adoption of two different modalities of decentralisation in Nepal (administrative and political) creates avenues for institutional conflicts and creates gaps in the implementation of district plan, ultimately leading to ineffective decentralisation.
3. Higher-level resource dependency of local bodies at the central level results in ineffective district planning and management.
4. The weak capacity of local bodies limits local autonomy, which is crucial to ensuring effective decentralisation.

5. Participatory planning generates rationality power through the rationalization process and influences public institutions to be more responsible and accountable. This ultimately helps strengthen local democracy.
6. Absence of elected officials in local bodies weakens the pace of local development activities and adversely affects entire decentralised local governance practices.

Central concerns and leading research questions

The research explores the appropriate responses to the following research questions in order to achieve its objectives. In a nutshell, the followings are the broad research questions:

1. What is the degree of implementation gap in terms of physical achievements, beneficiaries, budget investment, revenue efficiency and time efficiency during the implementation of plans?
2. Why do gaps occur in the implementation phase of the district plan? What are the determinants or causal factors of the gaps?
3. Which theories, concepts or paradigms are related to these determinants?
4. What are the potential implications of these implementation gaps and their determinants in the overall decentralised governance, taking into account the political and institutional contexts and the decentralisation policy frameworks forwarded by the state?
5. How can these implementation gaps be reduced?

These broad questions are further detailed as more specific questions (checklist) for the purpose of field study. The detail research questions relating to each indicator to be measured are the following:

Indicator one: physical targets versus achievement
1. Are there gaps between physical targets set out in the plan and progress achieved after the implementation of the district plan?
2. If there are gaps, what is the extent of the gaps?
3. Why and how do gaps occur in implementation? What are the factors that are preventing effective implementation?
4. If there are no gaps, or if gaps are not significant, what are the reasons for achieving the target reasonably or effectively?
5. What are the efforts made by responsible authorities to solve the problems (if there are gaps) and to replicate the best practices (if there are successes) to maximise the effectiveness of implementation?

Indicator two: beneficiary groups targeted versus groups actually benefited
1. Who are the key target beneficiaries of district plans?
2. How are the target beneficiaries identified (policy, criteria and mechanism)?
3. Who benefited the most from the implementation of the district plans?
4. Are those groups which are targeted in the plan documents really getting the benefits or are others benefiting? What are the reasons?
5. What are the efforts being made to minimise the negative effects of gaps (if there are gaps) or maximize the benefits of best practices (if there are successes)?

Indicator three: amount of budget allocated versus actual expenses for development activities.
1. How much budget is allocated each year for development activities and how much for administrative affairs?
2. Are there gaps between budget allocation and actual expenses, particularly under development head?
3. What are the reasons behind having gaps and not having gaps?
4. What are the efforts made by the concerned authorities to minimise the gaps (if there are any) or maximize the effect of success (if implementation has proved effective)?

Indicator four: internal revenue targets versus collection efficiency
1. Are internal revenues generated sufficiently as targeted (collection efficiency)?
2. What are the reasons behind revenue collection efficiency or inefficiency?
3. Are revenue generation targets determined based on revenue potentials or any other scientific base?
4. What are the bases and mechanisms of forecasting revenue generation targets?
5. Who is responsible for revenue generation at the DDC?
6. What efforts are being made to improve the revenue situation?

Indicator five: time allocated versus time spent for implementation
1. Are development programmes, projects or activities implemented within a scheduled timeframe?
2. If there are time overruns, what are the reasons?
3. How is the implementation calendar or plan of operation prepared and implemented?
4. Who is responsible for preparing the implementation schedule and monitoring of the time factor?
5. What are the efforts made to improve time efficiency?

General questions related to power, participation and decentralisation

Decentralisation
1. Within which conceptual and legal frameworks do the local bodies and line agencies operate? What are the functions and responsibilities that are assigned by these legal frameworks?
2. How conducive are the legal frameworks to making decentralisation functional?
3. How do central level key institutions function in terms of capacity development of local institutions, financial transfer, monitoring and other policy facilitations?
4. What is the status of fiscal decentralisation? Does it correspond to the decentralised functions?
5. What are the key implications of the current conflict situation on decentralisation and local governance practices?

6. What are the adverse effects of the absence of elected representatives in the local bodies since July 2002?

Institutional capacity

7. What is the capacity of the DDC in terms of human resources, planning and management, systems and procedures, and financial management?
8. What are the key limiting and facilitating factors of the DDC for performing their decentralised functions?
9. How are planning tools and techniques used in the participatory district planning process?

Participation and dimensions of decision-making process: conflict between rationality and power

10. How is decision-making power shared at vertical and horizontal levels with different partners/stakeholders? What are the limiting and facilitating factors?
11. How are project proposals collected and how are they filtered and prioritised in the decision-making process?
12. How do different stakeholders act and interact in the planning decision-making process? Who and/or what plays the determining role in the planning decision-making phase?
13. How do planning rationality and power act and interact with each other in the decision- making process?
14. How do grassroots level stakeholders see the participatory district planning process, decision-making and implementation of the district plan? (perspective of village level partners)

Systems, procedures, supervision and accountability

15. How are upward and downward accountability maintained?
16. How do information flow and transparency mechanisms operate?
17. Who is responsible for measuring the effectiveness and efficiency of local governance specifically at the district level? How is it measured (mechanisms and procedures)?

The research starts with specific questions related to implementation effectiveness and then rapidly moves to the exploratory questions. The exploratory questions include the legal and policy framework of decentralisation, participation and power distribution, and decision-making dimensions focusing on rationality and power.

5.3   Significance, scope and limitations

As Marshall and Rossman (1999: 21) outline "research is a process of trying to gain a better understanding of the complexities of human experience and, in some genres of research, to take action based on that understanding." Figure 22 shows the logical research process of gaining understanding of the complexities and sharing that 'understanding' with existing body of knowledge, and improving the situation where the research has practically taken place. In a nutshell, it shows how significant the research is and in what ways it can contribute to policy, theory and practice (figure 22).

Figure 22: Significance of the research
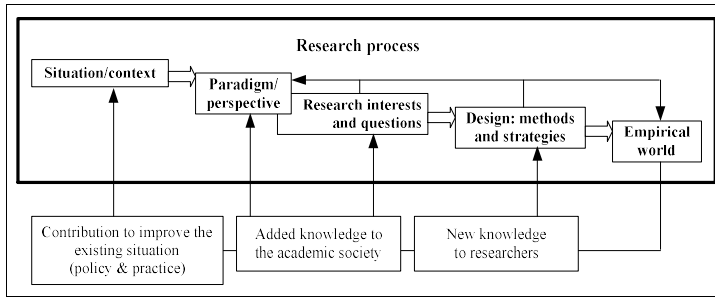
Source: Author's construct, 2002

Significance for policy

Since the late 1980s, decentralisation has become a prominent agenda along with political and administrative reform at the national level. In the 1990s, the agenda was reinforced further with intent to cut across sectors to improve national and sub-national level planning and governance. However, no such scientific study has been conducted yet which might have focused on district planning and implementation in decentralised policy environment after the restoration of democracy. To this extent, the study at hand is an attempt to provide input for policy improvements especially in the areas of power, participation, decentralisation and planning at the district level. As a higher level of importance is being given to decentralisation by the state, the study can contribute to improve the public policy, legal as well as institutional frameworks.

The significance of a study for policy can be developed by presenting and discussing data that show "how often the problem occurs and how costly it can be" […] A study's importance can also be argued through summaries of the writings of policymakers and informed experts who identify the topic as important and call for research pursuing the general questions" (Marshall and Rossman 1999: 36).

Significance for theory

"Theories do not provide answers to problems; people do. But a theory can provide a framework for analysis" (Forester 1993: 1). Theory will be enriched with the support of a number of extensive studies using that particular theory. Such scientific studies provide different empirical insights and perspectives to theory.

In this context, the present research contributes in a similar front. It brings a framework using different theoretical or conceptual backgrounds to the field and returns with creative exploratory knowledge particularly related to power, participation and decentralisation. Fresh empirical evidence ultimately enriches the theory used as a framework. Thus this research contributes to the existing body of knowledge.

Significance for practice

The district-focused recommendations that are given at the end address the district level, and could go a long way in improving the planning and management practices. This study thus will provide feedback to the district authorities, especially to local government units to improve their planning and management practices in a more democratic way, and to the national level to design appropriate institutional frameworks.

Limitations

The research project is limited by the fact that it is confined to an individual self-financed assignment. Furthermore, the worsening conflict and deteriorating security situation in Nepal did not allow access to some parts of the case district (especially the southern VDCs). Focus group discussion was not possible in that area either, while other areas in the district were largely covered.

Given the highly unstable political situation in Nepal[7], the research might not properly reflect the rationality phenomenon that generally does occur in normal or more stable politico-social settings. These aspects are described in the related chapters. Furthermore, political instability and the rapidly shifting conflict came up as challenges which goaded the researcher to complete the effort sooner. A situation beyond the control and scope of the researcher set a limitation for the study.

A professional who has been working in the field of decentralisation, local governance and local planning and management for about two decades is likely to develop a prejudice for or against the concept of decentralisation. While bias is another possible limitation, the researcher has tried to minimise it by resorting to various methodological measures.

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[7] It includes absence of elected representatives in the local government, accelerating conflict, absence of parliament and representative government.

6.   Research framework, strategies and methods

6.1   Theoretical paradigm: linking theory and research

There are two major methodological approaches discussed in the contemporary literature. One is deductive and another is inductive. "In the process of research, we embark on empirical work and collect data which initiates, refutes or organises our theories and then enables us to understand or explain our observations. First, we might consider a general picture of social life and then research a particular aspect of it to test the strength of our theories. This is known as *deduction* where theorizing comes before research. Research then functions to produce empirical evidence to test or refute theories" (May 1999: 30).

"On the other hand, we might examine a particular aspect of social life and derive our theories from the resultant data. This is known as *induction*. Research comes before theory and we seek to generate theoretical propositions on social life from our data. The deduction has a long history in the philosophy of science. It is based on the belief that we can proceed from a collection of facts concerning social life and then make links between these to arrive at our theories. The first point of consideration in this process refers to the relationship between theory and data in order to demonstrate that the facts can 'speak' for themselves and are distinct from the interpretation of researchers" (ibid: 30).

May (1999: 134) notes: "Practitioners shun what is known as the *a priori* (a proposition that can be known to be true or false without reference to experience), preferring the *a posteriori* (knowing how things are by reference to how things have been or are). He further says: "They attempt to make their research theoretically meaningful, but they assume that they do not know enough about the organisation *a priori* to identify relevant problems and hypotheses and that they must discover these in the course of the research (Becker 1979a: 312 in May 1999: 134).

May (1999: 61) advises: "The development and application of research ethics is required not only to maintain public confidence and to try and project individuals and groups from the illegitimate use of research findings, but also to ensure its status as a science."

6.2   The research approaches: what the literature says

A research design or framework explains what information most appropriately answers specific research questions and which strategies are most effective for obtaining the required information (LeCompte & Preissle 1993: 30 in Denzin and Lincoln 1994: 14). A research design describes a flexible set of guidelines that connects two fundamentally opposite poles of the research: at one end theoretical paradigms (conceptual framework) to strategies of inquiry while methods for collecting empirical material at the other.

A research design places the researchers in the empirical world having a clear conceptual understanding in the back of their minds and then connects them to specific sites, persons, groups, institutions or bodies that hold relevant interpretive

materials. A research design also specifies how the investigators have to deal with these sources of information. Furthermore, the design helps researchers address the two critical issues of field research: the 'representation and legitimation.' Thus research strategies or approaches of inquiry put paradigms of interpretation into full motion by providing specific methods to researchers for collecting and analysing empirical materials with reference to theoretical paradigms (Denzin and Lincoln 1994: 14).

A qualitative research and the research strategy

Denzin and Lincoln refer to multiple methods in qualitative research as they note, "Qualitative research, as a set of interpretive practices, privileges no single methodology over any other. As a site of discussion, or discourse, qualitative research is difficult to define clearly. It has no theory, or paradigm, that is distinctly its own. Nor does qualitative research have a distinct set of methods that are entirely its own. Qualitative research is an interdisciplinary, trans-disciplinary and sometimes counter-disciplinary field. It crosscuts the humanities and social physical sciences. Qualitative research is many things at the same time. It is multi-paradigmatic in focus" (ibid: 3).

Marshall and Rossman (1999: 61) present the qualitative genre and overall strategy (table 44).

Table 44:   Qualitative genre and overall strategy

Genre	Strategy	Focus of inquiry
Individual lived experience	In-depth interviews	Individuals
Society and culture	Case study	Groups and organisations
Language and communications	Microanalysis	Speech events and interactions

Source: Marshall and Rossman, 1999: 61

Qualitative research genres have become increasingly important modes of inquiry for the social sciences and applied fields such as education, regional planning, community development etc. (ibid: 1).

Use of multiple data collection methods in qualitative research

Marshall and Rossman (1999: 105) describe different data collection methods in qualitative research. "Qualitative researchers typically rely on four methods for gathering information: (a) participation in the setting, (b) direct observation, (c) in-depth interviewing, and (d) analysing documents and material culture. These methods form the core of qualitative inquiry – the staples of the diet. Several specialized methods supplement these."

"There are also those who know of the weaknesses of particular methods of research and make a judgement as to which method must be used based upon this information and the aims of their research. They may even decide to use multi-method approaches in their research. The results of survey research may then 'be

used to direct the researchers to individuals as instances for depth observation' (Fielding and Fielding 1986: 84 in May 1999: 108).

Marshall and Rossman (1999) also have similar observations and they suggest: "The researcher can assess the strengths and limitations of each method, then decide if that method will work with the particular questions and in the particular setting for a given study" (Marshall and Rossman 1999: 132-133). Denzin and Lincoln (1994: 2) also note: "qualitative researchers deploy a wide range of inter-connected methods, hoping always to get a better fix on the subject matter at hand" (Denzin and Lincoln 1994: 2). "Qualitative research is inherently multi-method in focus (Brewer and Hunter 1989 in Denzin and Lincoln 1994: 2). "However, the use of multiple methods, or triangulation, reflects an attempt to secure an in-depth understanding of the phenomenon in question. Objective reality can never be captured. Triangulation is not a tool or a strategy of validation, but an alternative to validation" (Denzin and Lincoln 1994: 2). "The combination of multiple methods, empirical materials, perspectives and observers in a single study is best understood as a strategy that adds rigor, breadth, and depth to any investigation" (Flick 1992: 194 in Denzin and Lincoln 1994: 2).

Suitable methods are determined largely by the theoretical paradigm of the research as Caesperlein and Gliemann (2002: 20) note, "Discussing which methods are appropriate for a given object of research requires consideration of the paradigm under which theory is generated."

Quality of well-collected qualitative data

Miles and Huberman (1994) explain the importance and features of qualitative data that are collected from different sources. They note that well-collected qualitative data focus on "naturally occurring, ordinary events in natural settings, so that we have a strong handle on what 'real life' is like. Another feature of qualitative data is their richness and holism, with strong potential for revealing complexity; such data provide 'thick descriptions' that are vivid, nested in a real context, and have a ring of truth that has a strong impact on the reader" (Miles and Huberman 1994: 10).

Combination of quantitative and qualitative data

The contemporary literature on research methodology suggests combining the qualitative and quantitative data as research strategy. "Qualitative and quantitative methodology are not mutually exclusive. Differences between the two approaches are located in the overall form, focus, and emphasis of study" (Van Maanen 1979: 520 in May 1999: 136). Caesperlein and Gliemann (2002: 20-21) also recommend a similar methodological approach. They note: "The dialectical bridge between divergent methodological approaches turns out to be quite solid. Since dialectics does not accept any single angle, method or theory exclusively and permanently, it is both impossible and useless to declare any given method to be universally correct. In dialectics, looking at an object requires looking at the world beyond the object. Analogically, choosing a method necessitates using entirely different methods and to correct their blind spots by employing alternative methods. Methods are utilized for gaining knowledge rather than for ideological warfare between rivalling methodological schools."

Rossma and Wilson (1984, 1991 in Miles and Huberman 1994: 41) provide the following justification for linking qualitative and quantitative data.

– To enable confirmation or corroboration of each other via triangulation;
– To elaborate or develop analysis, providing richer detail; and
– To initiate new lines of thinking through attention to surprise or paradoxes, 'turning ideas around', providing fresh insight.

Furthermore, Sieber (1973 in Miles and Huberman 1994: 41) and Miles and Huberman (1994: 41) offer detailed reasoning to combine both methods. These are summarised below and relate to different phases of study.

– Quantitative data provides rich background information, gets to overlooked information and helps avoid 'elite bias' '(talking only to high-status respondents)'.
– Combination makes the task of data collection easier.
– Quantitative data help show the generality of specific observations, correcting the 'holistic fallacy' (monopolistic judgments about a case) and verifying or casting new light on qualitative findings.
– Both methods can help each other in this phase more importantly in 'validating, interpreting, clarifying and illustrating quantitative findings, as well as by strengthening and revising theory.'

Similarly, Greene, Caracelli and Graham (1989 in Miles and Huberman 1994: 41) suggest that such studies with combined methods can "help sequentially and can expand the scope and breadth of a study by using different methods in different components".

Firestone (1987 in Miles and Huberman 1994: 41) discusses the advantages and constraints of each method broadly and suggests the benefit of combining both approaches. He describes it thus "qualitative studies 'persuade' the reader by de-emphasizing individual judgement and stressing the use of established procedures, leading to improved and precisely generalisable results. On the other hand, qualitative research persuades through rich depiction and strategic comparison across cases, thereby overcoming the "abstraction inherent in qualitative studies" (ibid: 41).

Further, Miles and Huberman (1994: 41) present an illustrative design linking qualitative and quantitative data (figure 23).

Figure 23: Illustrative designs linking qualitative and quantitative data
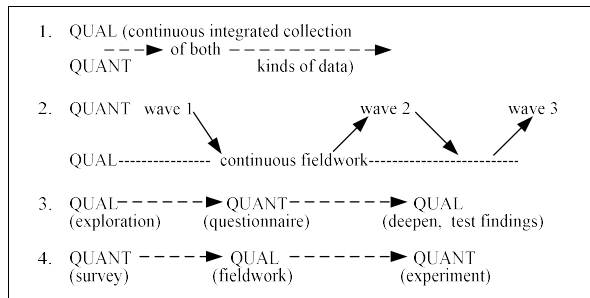
Source: Miles and Huberman, 1994: 41

As illustrated in figure 23, there are four alternative designs that combine both methods in different ways. Miles and Huberman (1994: 41-42) explain the alternative designs in the following ways:

– "In *design 1*, fieldwork involves steady, integrated collection of both quantitative and qualitative data, as needed to understand any case at hand.
– *Design 2* shows a multi-wave survey, conducted in parallel with continuous fieldwork. The first survey wave may draw attention to things the fieldworker should look for, the next fieldwork findings may lead to revisions in wave two of the survey.
– *Design 3* alternates the two kinds of data collection, beginning with exploratory fieldwork, leading to the development of quantitative instrumentation, such as a questionnaire. The questionnaire findings can be further deepened and tested systematically with the next round of qualitative work.
– *Design 4* shows another alternative style: An initial survey helps point the field-worker to a phenomenon of importance. The field-worker moves to develop a close-up, strong conceptual understanding of how things works, and a quantitative experiment is designed to test some resulting, perhaps competing, hypotheses."

Grounded theory: a methodological approach

The grounded theory is a methodological approach of qualitative research that was jointly formulated and first articulated by Glaser and Strauss (1967) while Strauss and Corbin (1990) made the coding procedure more explicit (Sarker et al. 2001: 40). According to Strauss and Corbin (1990: 24 in Sarker et al. 2001: 39-40), it "uses a systematic set of procedures to develop an inductivity." This is a methodology that is designed to help researchers produce "conceptually dense" theories that consist of relationships among concepts representing "patterns of action and interaction between and among various types of social units" (Strauss and Corbin 1994: 278 in Sarker et al. 2001: 39-40). "A unique aspect of grounded theory is the fact that data collection (or sampling) and data analysis are undertaken simultaneously and not sequentially as in many traditional methods" (Sarker et al. 2001: 40).

Strauss and Corbin (1990 in Sarker et al. 2001: 40) refer to three coding procedures in the grounded theory methodology – open coding, axial coding and selective coding. "These codes are generated and validated using the constant comparative method, and coding, at each stage, terminates when theoretical saturation is achieved with no further codes or relationships among codes emerging from the data" (Sarker et al. 2001: 40). The three coding procedures are given below as Strauss and Corbin (1990: 61-99 in Sarker et al. 2001: 40) suggest:

1. *Open coding involves* "breaking down, examining, comparing, conceptualising, and categorizing data" (Strauss and Corbin 1990: 61 in Sarker et al. 2001: 40)
2. *Axial coding* refers to the analytic activity for "making connections between a category and its sub-categories" developed during open coding (Strauss and Corbin 1990: 97 in Sarker et al. 2001: 40)
3. *Selective coding* involves the identification of the 'core category.' This is the central phenomenon of the grounded theory approach that needs to be theorized by linking the "different categories to the core category using the paradigm model (consisting of conditions, context, strategies, and consequences). Often, this integration takes the shape of a process model with the linking of action/interactional sequences.

According to Strauss and Corbin, the researcher in creating a process model "[…] must show the evolving nature of events by noting why and how action/interaction – in the form of events, doings, or happenings – will change, stay the same, or regress; why there is progressing of events or what enables continuity of a line of action/interaction, in the face of changing conditions, and with what consequences" (Strauss and Corbin 1990: 144 in Sarker et al. 2001: 40).

Data interpretation and analysis in qualitative research

"Data analysis is the process of bringing order, structure, and interpretation of the mass of collected data. It is a messy, ambiguous, time-consuming, creative, and fascinating process. It does not proceed in a linear fashion; it is not neat. Qualitative data analysis is a search for general statements about relationships among categories of data" (Strauss and Corbin 1997 in Marshall and Rossman 1999: 150). It is an exploration and verification process "to identify content for ethnographies and for participants' truths" (Marshall and Rossman 1999: 150).

Data interpretation and analysis entails data reduction process. The data reduction is the process of bringing the data into manageable size, and interpretation is the processes of bringing the meaning of the data and the researcher's insight into the words. "It is a process of bringing meaning to raw, inexpressive data that is necessary whether the researcher's language is standard deviations and means or rich description of ordinary events. Raw data have no inherent meaning; the interpretive act brings meaning to those data and displays that meaning to the reader through the written report (ibid: 152-53).

"In qualitative studies, data collection and analysis typically go hand in hand to build a coherent interpretation of the data. The researcher is guided by initial concepts and developing understandings but shifts or modifies them as she collects and analyses data" (ibid: 151). Miles and Huberman (1994) strongly recommend for early analysis. "It helps the field-worker cycle back and forth between thinking about the existing data and generating strategies for collecting new, often better, data. It can be health corrective for built-in-blind spots. It makes analysis an ongoing, lively enterprise that contributes to the energizing process of fieldwork. […] so we advise interweaving data collection and analysis from the start. And even in studies with one round of data collection, these early analysis methods can be very helpful" (Miles and Huberman 1994: 50).

Marshall and Rossman (1999) characterize the nature of the qualitative data as "exceedingly complex" and not readily convertible into standard measurable units of objects seen and heard; they vary in level of abstraction, in frequency of occurrence, in relevance to central questions in the research. They propose approaches to understand the complex data: "Reading, reading and reading once more through the data forces the researcher to become familiar with those data in intimate ways. People, events, and quotations sift constantly through the researcher's mind. During the reading process, the researcher can list on note cards the data available, perform the minor editing necessary to make field notes retrievable, and generally *clean up*" (Pearsol 1985 in Marshall and Rossman 1999: 151-53).

Roger Sanjek (1990: 386 in Denzin and Lincoln 1994: 15) appraises the qualitative research as "endlessly creative and interpretive." They explain the process of interpretation and analysis of qualitative data. "The researcher does not just leave the

field with mountains of empirical materials and then easily write-up his or her find-ings. The researcher first creates a field text consisting of field notes and documents from the field."

Van Maanen (1988 in Denzin and Lincoln1994) explains the process of interpre-tation of field notes. "The writer-as-interpreter moves from this text to a research text: notes and interpretations based on the field text. This text is then re-created as a working interpretative document that contains the writer's initial attempts to make sense out of what he or she has learned. Finally, the writer produces the public text that comes to the reader. This final tale of the field may assume several forms: con-fessional, realist, impressionistic, critical, formal literary, analytic, grounded theory" (Van Maanen 1988 in Denzin and Lincoln 1994: 15).

Generating categories, themes and patterns

Patton (1990: 306, 393-400 in Marshall and Rossman 1999: 154-55) describes the following two different processes in inductive analysis from where, as Patton notes: "the salient categories emerge from the data" which the researcher can use to reflect the understandings expressed by the participants.

1. *Indigenous typologies:* those created and expressed by participants and are generated through analyses of the local use of language.
2. *Analyst-constructed typologies:* those created by the researcher that are grounded in the data but not necessarily used explicitly by the participants.

In the case of *analyst-constructed typologies*, the researcher himself/herself applies a typology to the data analysis. In this pattern, the process entails uncovering patterns, themes, and categories and it "may well be subject to the 'legitimate charge of im-posing a world of meaning on the participants that better reflects the observer's world than the world under study'" (Patton 1990: 398 in Marshall and Rossman 1999: 154-55). The outputs of interpretation and analysis are usually presented in matrix format; "these cross-classifications suggest 'holes' in the already-analysed data, suggesting areas where data might be *logically* uncovered. Patton, however, cautions the researcher not to allow these matrices to lead the analysis but instead to generate sensitizing concepts to guide further explorations: "It is easy for a matrix to begin to manipulate the data as the analyst is tempted to force the data into catego-ries created by the cross-classification to fill out the matrix and make it work" (Pat-ton 1990: 412 in Marshall and Rossman 1999: 154-55).

6.3   Research design and strategies

Interpretative social science research: inductive method

This research is closer to the 'interpretative social science school' which is more con-cerned with qualitative aspects and description and, at best, generating hypotheses (Silverman 1993: 21). Therefore, the research at hand followed the route of *induction* to achieve the objectives of the research as it aims to explore the uncovered issues that tend to create gaps in the implementation and are ultimately related to the dimension of power and participation in a context specific manner. Related contemporary litera-tures are reviewed and empirical data are collected from different sources.

It is important to note that the study focuses more on planning and implementation practice in the theoretical background of power and participation, which is its conceptual framework. Therefore basic focus is on 'how things are done and what comes out.' At the later stage, reality-pictures in the form of observations and lessons or identified issues are compared with existing theoretical propositions. Thus theories and related paradigms are derived and interfaced based on the resultant data as a general rule of the *induction* method. These methodological procedures are clearly reflected in the research framework.

Qualitative research

Contemporary literature on research methodology explains the word qualitative to emphasise quality, processes and meanings that are not rigorously examined or measured in terms of quantity, amount, intensity or frequency. Thus Denzin and Lincoln (1994: 4) note: "Qualitative researchers stress the socially constructed nature of reality, the intimate relationship between the researcher and what is studied, and the situational constraints that shape inquiry. Such researchers emphasize the value-laden nature of inquiry. They seek answers to questions that stress how social experience is created and given meaning." Denzin and Lincoln (1994: 4) further explain that the qualitative study is carried out in a natural setting "attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them."

The nature of the present research topic requires in-depth inquiry in the complexities of power, participation, district planning and implementation. The research topic seeks to explore the causal factors behind the scene that bring gaps in implementation of the district plan. Therefore the research is not linear and it needs to explore formal and informal aspects of decentralisation, planning and implementation in the natural setting. It largely covers the decision-making dimensions in the context of multi-stakeholder participation at different levels of governance: from the grassroots level to the policy making (central) level. The field study begins with real-world observations in which researchers do not have any control over the situation. The study needs to be carried out in a natural setting using exploratory approaches that best address the questions of inquiry. Therefore, the research demands qualitative research.

Exploratory and explanatory

This research is an exploratory one and aims to explore the little understood phenomena of power and participation. This research is not intended to be a testing hypothesis but may generate hypotheses for further researches. Literature review has been done two times: first at the conceptualisation stage to understand the related theoretical framework clearly and secondly after identifying issues from the fieldwork. The research explores and then explains the less understood issues related to power, participation and their multi-faceted dimensions in the context of district planning and implementation. Thus, it further explains how different forces interact in order to result in the phenomenon.

The research framework

Figure 24 together with 25 illustrate overall framework and a roadmap of the present research in terms of its logical flow, process and different methodological applications.

Figure 24: The research framework

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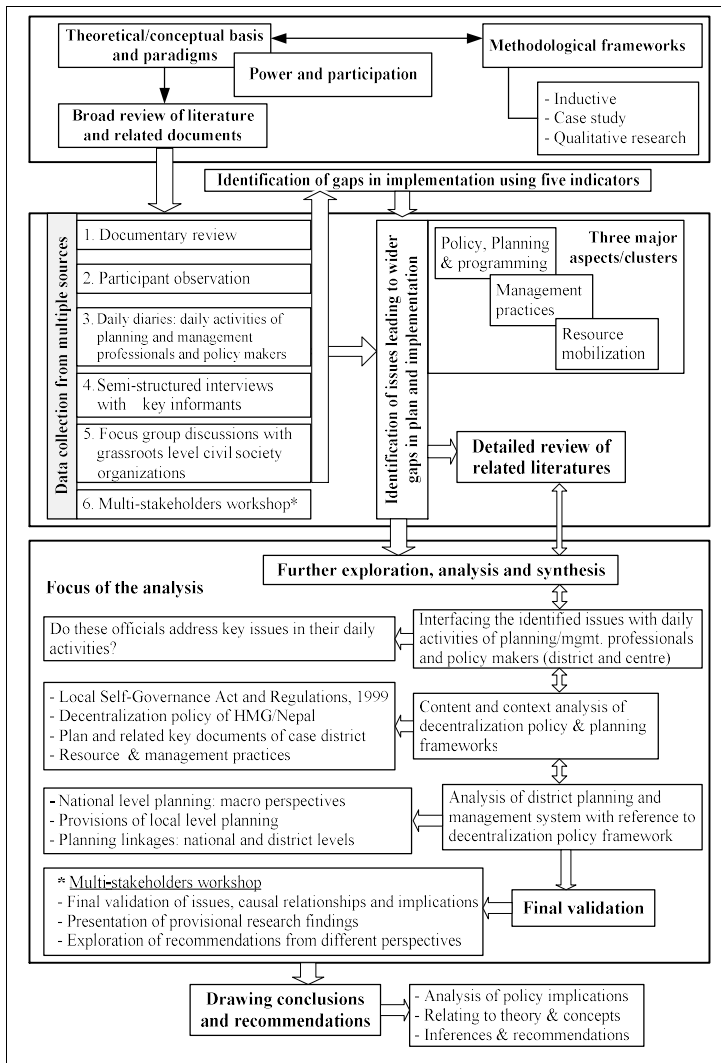
Grounded theory forms the main methodological framework of the present research. Basically, the framework establishes the connections between different nodes of scientific research (figure 25).

Figure 25: The research focusing process
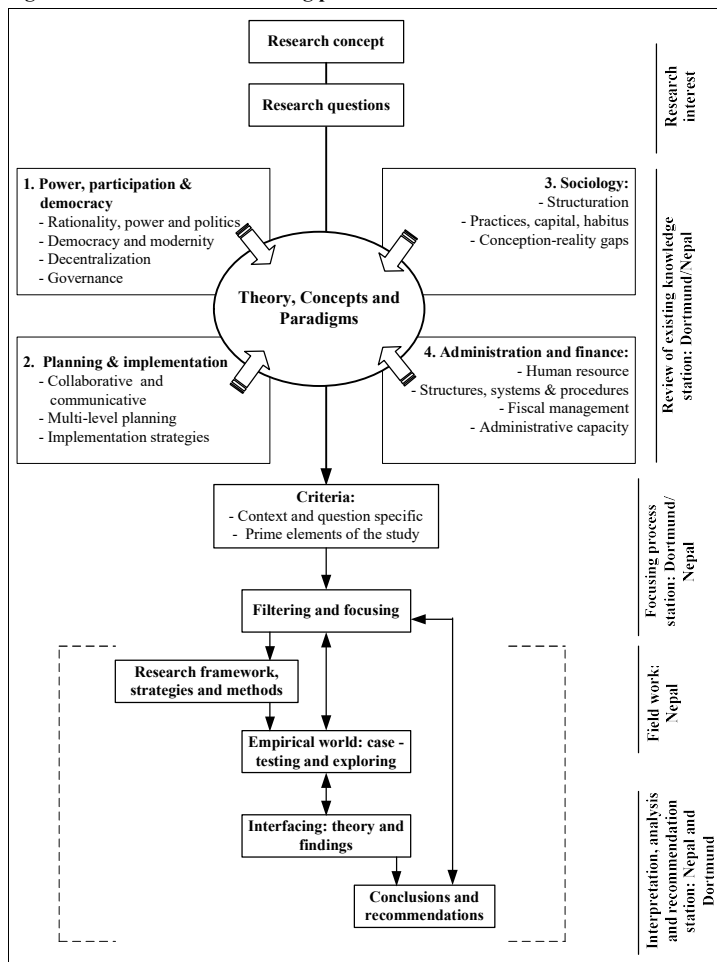
Source: Author's construct, 2003

6.4 Case study method

Marshall and Rossman (1999: 153) recommend the case study method for such a type of study which has a local district as the primary unit of analysis. Case studies, in general, are designed to document the issues occurring in the practice as part of the outcomes of the implementing policy, plan or strategies. Each district's history, culture, desire, capacity and resources are very different. This explains why a district focus case study permits a researcher to a full elaboration of those contextual variations that share policy implementation in important ways.

Yin (1993: VII) has similar ideas, and describes that case study research continues to be an essential form of social science inquiry. He describes that the method is appropriate when investigators desire to (a) define topics broadly and not narrowly, (b) cover contextual conditions and not just the phenomenon of study, and (c) rely on multiple and not singular sources of evidence. Yin further recommends that the case study is the method of choice when the phenomenon under study is not readily distinguishable from its context (ibid: 3). He specifies that the case studies are particularly an appropriate research method when the researcher tries to attribute causal relationships – and not only intending to explore or describe a particular situation. In this context, the case study method is useful to investigate as it covers a complete picture - a particular phenomenon and the context within which the phenomenon is occurring (ibid: 31).

Relating to this research, the nature of the study intends to cover the key phenomenon of power and participation grounded in reality through district planning and implementation in a real world context where the researcher had little control over these events. Furthermore, the research aims to explore crucial elements that prevent decentralisation from being effective in practice within the country's given decentralised policy environment. This study by its nature demands a case study method.

Case selection procedures

Marshall and Rossman (1999: 69) prescribe very clear and practical criteria for site selection. "A realistic site is where (a) entry is possible, (b) there is a high probability that a rich mix of the processes, people, programmes, interactions, and structures of interest are present, (c) the researcher is likely to be able to build trusting relations with the participants in the study; and (d) data quality and credibility of the study are reasonably assured. Although this ideal state is seldom attained, the proposal nonetheless describes what makes the selection of this particular site especially sound."

In this theoretical and methodological background, a district Kavre-Palanchowk was selected as the case district largely because of personal contact, familiarity with the context of the district and institutions, relatively easy access in the given context of armed conflict in the country and long-standing trusting relations with the officials working in the district. The district was tested using different criteria demanded by the conceptual framework, research assumptions and questions to make sure that it was a representative district for the research. The following criteria were applied through two different stages.

The primary criteria

The following criteria were applied as entry criteria and an index of districts in Nepal was prepared.

–   *A* district where participatory planning has been practiced relatively well (2001/2002) as envisioned in Local Self-governance Act, 1999.
–   A district that was functioning relatively well, adopting the legally pre-scribed decentralised district planning despite the conflict situation in the country (2001/2002).
–   A district which has a medium-term (periodic) plan, well-defined long-term vision and declared development principles and policies, regularly approved annual plans and programmes.

A short-list of districts was prepared based on the above criteria.

The secondary criteria

The districts were categorized according to their socio-economic status based on the composite development index (1997) prepared by International Centre for Integrated Mountain Development (ICIMOD) and Netherlands Development Organisations (SNV).

By applying the above criteria the case district (Kavre-Palanchowk), which was chosen subjectively earlier, was found to fall in the average category together with a majority of the districts (33 districts out of 75) in the country. Therefore, it was chosen as a case district for the purpose of the study.

Unit of analysis: district level

The unit of analysis of this research is the district. It links both levels – the policy level and the sub-district level as both levels interface at the district. The underlying reasons for selecting the district as the unit of analysis are as outlined below:

1.   The district is appropriated by the LSGA at the sub-national planning and management level. Decentralisation process also has been focused at the dis-trict level in terms of planning and management of development activities in recent years.
2.   The district is the administrative unit that links the national, municipal and village level units through the sub-district level planning workshop, which is the start of the district planning process. In other words, the district can be seen as intermediate level unit between the grassroots and the central level.
3.   Most of the sectoral ministries have their field units, 'line agencies,' at the district level. This ensures vertical and horizontal planning linkages in order to achieve inter-sectoral integration both into national policy frameworks and to link up with local communities in order to strengthen participatory planning processes and development endeavours.

6.5   Validity from a methodological perspective

A final methodological consideration in the qualitative research is the question of validity. "All research must respond to canons of quality – criteria against which the trustworthiness of the project can be evaluated. These canons can be phrased as

questions to which all social science research must respond. First, how credible are the particular findings of the study? By what criteria can we judge them? Second, how transferable and applicable are these findings to another setting or group of people? Third, how can we be reasonably sure that the findings would be replicated if the study were conducted with the same participants in the same context? And fourth, how can we be sure that the findings reflect the participants and inquiry itself rather than a fabrication from the researcher's biases or prejudices?" (Lincon and Guba 1985 in Marshall and Rossman 1999: 191-92).

The question of validity is generally described in terms of internal validity, external validity and reliability.

Internal and external validity

Yin suggests different methods to maintain internal and external validity in the case study method. He notes that "we can achieve the internal validity through the specification of the units of analysis, the development of *a priori* rival theories, and the collection and analysis of data to test these rivals." Similarly, external validity can be achieved "through the specification of theoretical relationships, from which generalizations can then be made" (Yin 1993: 39-40).

Construct validity

The construct validity deals with the use of instruments and measures that accurately operationalise the constructs of interest in a study. Yin suggests using multiple measures of the same construct as part of the same study. This same strategy works well in designing case studies and has been defined as the use of multiple sources of evidence (Yin 1984, 1989: 23, 40-45 in Yin 1993: 39).

Here table 45 summarises the four criteria as Pare (2002: 25-26) prescribes assessing the quality of any research design and the case study tactics to be adopted in the study.

Table 45: Case study - tactics for design quality

Criterion	Description	Tactics to be adopted
Construct validity	Establishing correct operational measures for the concepts being studied	- Multiple sources of evidence - Review of case study report by key informants - Mix of qualitative and quantitative methods
Internal validity	Establishing a causal relationship, whereby certain conditions are shown to other conditions, as distinguished from creating spurious relationships	- Explanation-building strategy with logical chain of evidence - Review of case study report by key informants - Site analysis meeting - Sufficient citations in the case report - Checklist matrices - Tying propositions to existing literature

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Criterion	Description	Tactics to be adopted
External validity	Establishing the domain within which a study's findings can be generalized	- Analytic generalization - Tying propositions to existing literature
Reliability	Demonstrating that the operations of a study can be repeated, with the same results	- Validation of coding scheme - Case study data base - Case study protocol

Source: Pare, 2002: 25-26

Establishing the truth value: applicability, consistency and neutrality

Lincoln and Guba (1985 in Marshall and Rossman 1999: 192-95) refer to the need of establishing the "truth value" of the study, its applicability, consistency, and neutrality. According to them, every systematic inquiry into the human condition must address these issues. Although Lincoln and Guba match these terms to the conventional positivist paradigm – internal validity, external validity, reliability, and objectivity – they then demonstrate the need to rework these constructs for naturalistic or qualitative inquiry. Lincoln and Guba (1985 in Marshall and Rossman 1999: 192-95) propose the following four alternative constructs through which they claim that these reflect the assumptions of the qualitative paradigm more accurately and thus assure the validity.

Credibility

To ensure every element of credibility, the goal is to demonstrate that the inquiry was conducted in a manner which ensured that the subject was accurately identified and described. "The inquiry then must be 'credible to the constructors of the original multiple realities'" (Lincoln and Guba 1985: 296 in Marshall and Rossman 1999: 192).

Marshall and Rossman (1999) explain: "The strength of a qualitative study that aims to explore a problem or describe a setting, a process, a social group, or a pattern of interaction will rest with its validity. An in-depth description showing the complexities of processes and interactions will be so embedded in data derived from the setting that it cannot help but be valid. The research will be valid within the parameters of that setting, population and theoretical framework. A qualitative researcher should therefore adequately state those parameters, thereby placing boundaries around the study" (Marshall and Rossman 1999: 192-193).

Transferability

This is related to generalization or transferring the findings of one research within similar situations with similar research questions. In such cases, the responsibility of demonstrating the applicability of findings of one set of research to another context rests largely with the new researcher who would make that transfer, rather than with the original researcher. Lincoln and Guba (1985) further describe: "A qualitative study's transferability or generalizability to other settings may be problematic. The

generalization of qualitative findings to other populations, settings, and treatment arrangements – that is, its external validity – is seen by traditional canons as a weakness in the approach" (Lincoln and Guba 1985 in Marshall and Rossman 1999: 193).

However, there are some research strategies that can help enhance the generalizability. "One additional strategic choice can enhance a study's generalizability: triangulating multiple sources of data. Triangulation is the act of bringing more than one source of data to bear on a single point. Derived from navigation science, the concept has been fruitfully applied to social science inquiry" (Danzin 1978, Jick 1979, Rossman and Wilson 1985 and 1994 in Marshall and Rossman 1999: 194). Thus data from multiple sources can be used to confirm, re-confirm, elaborate or illuminate the research in question. "Designing a study in which multiple cases, multiple informants, or more than one data-gathering method are used can greatly strengthen the study's usefulness for other settings" (Rossman and Wilson 1985 in Marshall and Rossman 1999: 193).

Similarly, Yin (1993) describes the methods of triangulation of data in case study research. He suggests: "Consider the difficulty of establishing the occurrence of an event. You would be more confident in saying that the event actually had occurred if your study showed that information from interviews, documents, and your own observations all pointed in the same direction. With such converging evidence, you might even feel very confident about your conclusion that the event had occurred. This type of triangulation is the most desired pattern for dealing with case study data and you should always seek to attain such an outcome. An important clue is to ask the same question of different sources of evidence; if all sources point to the same answer, you have successfully triangulated your data" (Yin 1993: 69). Triangulation not only helps to increase reliability, but also to compare the data acquired from different sources even as "triangulated inquiry allows a comparison of data from interviews, observations, documents and even surveys" (Jick 1979, Whyte 1984, Fielding and Fielding 1986 in May 1999: 149).

Dependability

The third construct that Lincoln and Guba (1985) refer to is dependability. The researcher regularly keeps track of changes in the conditions in the phenomenon chosen for the study and attempts to account for changing conditions in the design accordingly. "This represents a set of assumptions very different from those shaping the concept of reliability. Positivist notions of reliability assume an unchanging universe where inquiry could, quite logically, be replicated. This assumption of an unchanging social world is in direct contrast to the qualitative/interpretive assumption that the social world is always being constructed and that the concept of replication is itself problematic" (Lincoln and Guba 1985 in Marshall and Rossman 1999: 193).

Conformability

The final construct is confirmability, which captures the traditional concept of objectivity. Lincoln and Guba stress the need to ask whether someone else could confirm the findings of the study or not. "By doing so, they remove evaluation from some inherent characteristic of the researcher (objectivity) and place it squarely on the data itself. Thus the qualitative criterion is: do the data help confirm the general findings and lead to the implications? This is the appropriate qualitative criterion" (ibid: 193).

The current research and the question of validity

This research adopted a methodological approach that allows data collection from multiple sources that also allows triangulating information (in-built triangulation). Interpretation and analysis are based on the triangulated information (figure 26).

Figure 26: Data collection methods: event flow and triangulation process
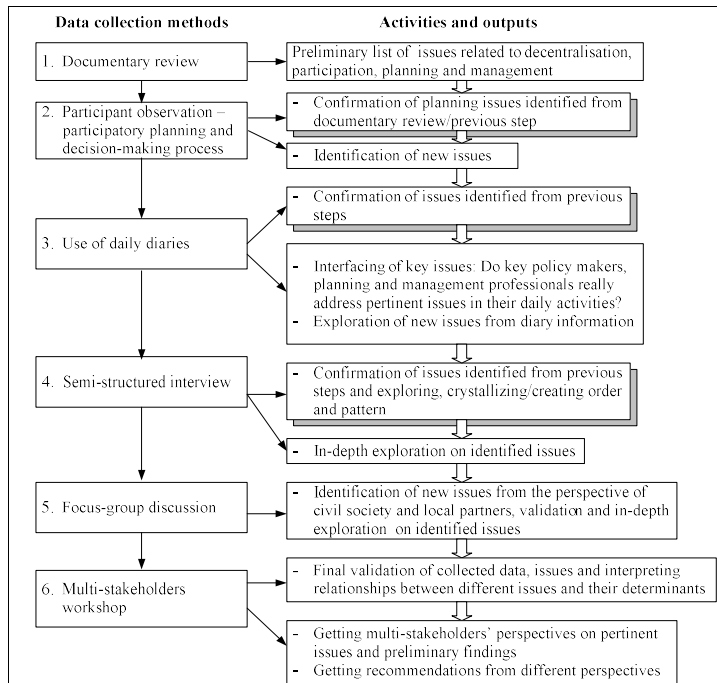
Source: Author's construct, 2002-2003

Thus the data collection steps have been designed in a logical way linking the next step with the first. For example, first method (i.e. documentary review) has prepared a set of preliminary data and a foundation step to enter into the second step (i.e. participant observation) and so on.

The analysis meanwhile contains a chain of evidences rather than depending on single evidence. The field study was carried out in a sequential and holistic manner. These features adopted in the research design assure the construct validity. The internal validity is further guaranteed through consistent pattern matching and explanation building during interpretation and data analysis.

As presented in previous chapters, the theoretical framework further detailed out into research assumptions and questions guided the entire data collection and analysis process. Such a research arrangement increases the construct validity as Lincoln and Guba (1985 in Marshall and Rossman 1999: 193) say: "the researcher can refer

to the original theoretical framework to show how concepts and models will guide data collection and analysis. By doing so, the researcher states the theoretical parameters of the research. Then those who make policy or design research studies within those same parameters can determine whether or not the cases described can be generalised for new research policy and transferred to other settings. In addition, the reader or user of specific research can see how research ties into a body of theory" (Lincoln and Guba 1985 in Marshall and Rossman 1999: 193). However, being a qualitative case study research, it does not claim to be replicable. The goal of the present research is to discover the unexplored issues of decentralisation associated with power dimensions. Therefore, the research strategies are adopted within a flexible research design addressing the changes in the context of the phenomenon under study.

Although this research is a qualitative one, some qualitative data are complemented by quantitative data particularly generated from a documentary analysis of archival data and some generated through applying data collection methods. The basic intention of this research strategy is to use the data in a converging manner, triangulate accordingly and increase the reliability of the research.

Other research approaches and validity measures applied in the research are described under different chapters.

6.6 Possibility of biases and minimizing mechanism

One of the biggest challenges of the researcher in qualitative research is to demonstrate that his or her personal bias will not deteriorate the quality of the study beyond the level of acceptance from a scientific point of view. Therefore, some related literatures are reviewed and assessed to minimize the personal values and professional biases in the research.

Values and biases in the literatures

Regarding the values in the research, May (1999) notes: "It is commonly thought that if values enter the research process, this renders its findings void. However, it has also been argued that values should enter our theories as a condition of research which is capable of critically evaluating how knowledge is produced and why some groups, more than others, are able to perpetuate their beliefs within society. The adequacy of such a theory focuses not only on the ability to understand and explain social life, but also the potential to change it" (May 1999: 40).

Baldamous (1984: 292 in May 1999: 40) discusses the practical difficulties and measures to be undertaken by the researcher. He notes: "How does this leave us as researchers? We are left; it seems, with ambiguity over the question of the relationship between theoretical construction, empirical work and value. The practice of science, natural or social, is not simply a choice between facts and theory as there is, in the words of one commentator on methodology, no longer a reliable distance between theory construction and empirical work. Further, May offers his remarks: "social life itself is diverse and complicated and perhaps, therefore, not amendable to understanding through the use of a single theoretical paradigm" (May 1999: 40).

It is not possible to achieve perfect objectivity in social research. That is because our values are also at stake directly or indirectly while identifying the research topic.

But rather than hindering the process, what is more important is to be aware of enhancing the quality of research. May (1999) notes: "how values enter the research process and affect the product of research is of central concern. To understand the ways in which this occurs and affects the research process requires reflexivity on the part of researchers or, to express it another way, a consideration of the practice of research, our place within it and the construction of our fields of inquiry" (ibid: 41). He further shares the nature of social science and practical difficulties: "In the social sciences we routinely deal with phenomena which people are already busily interpreting and endowing with meanings and values. This makes our task as researchers a different one from that of the natural scientist" (ibid: 43).

Strategies adopted to minimize values and personal biases

Methodologically, reflexivity in the research is a major strategy adopted in this research. Proper attention and consideration was given to the emergent design of qualitative research and the iterative interpretation and analysis of findings.

The triangulation of information further strengthens the position of the researcher in managing the values. However, there could be some biases that are reflected in different chapters.

6.7   Data collection, interpretation and analysis

Data collection methods

The research framework was designed in a way that allowed data collection from multiple sources, so that weaknesses of one method could be compensated by the strengths of another method and the data could be triangulated accordingly. Both qualitative and quantitative data are combined in a complementary way in different phases of the study to enrich the analysis from different perspectives. These design arrangements made the study rich in both aspects and increased the validity by crosschecking the quality at different stages.

The data collection procedures followed a step-by-step method (figure 26) adopting in-built triangulation approach for greater validity as Miles and Huberman (1994: 25) note: "the beauty of qualitative field research is there is (nearly) always a second chance."

Table 46 summarises the specific focus of different data collection methods and their timing during the field study.

Table 46: Data collection methods and specific focus of each methods

Data collection methods	Specific focus of data collection method	Time frame covered and data collection date
Documentary analysis	Identification of policy, district planning/ management issues	1999/2000-2002/2003
Participant observation	Participatory district planning and decision making process	2001/2002-2002/2003
Use of daily diary	Key policy, planning and mgmt. issues on daily activities	April –July, 2003
Exploratory interviews	Exploration: policy, planning & management issues	Initial: from December 2003 Intensive: August – October, 2004
Focus group discussion	Exploration of people's/ grass-roots' perspectives on key issues of participation and planning	Nov-December, 2004
Multi-stakeholders workshop	Sharing of preliminary findings/final validation and collection of recommendation from different perspectives	End of December, 2004

Source: Field study schedule, 2002-2004

Thus the task of data collection covered both contexts: Local governments with elected officials (before July 16, 2002) and without elected officials (after July 16, 2002).

Data interpretation and analysis

The process of data collection from multiple sources resulted in a vast accumulation of source materials covering different perspectives. These materials were reviewed, assessed and utilized for further analysis. The research process also involved a series of interactions and feedback meetings with different officials and colleagues who provided different perspectives to enrich the research contents.

Data review, verification, assessment and a data reduction process were carried out as a regular part of data analysis (figure 27). The researcher made daily decisions in the process of data organisation and analysis. Which data chunks to code and which to pull out, which patterns best summarize a number of chunks and which tell the evolving story were all analytical choices of the researcher during the field study. Data reduction is a part of data analysis that sharpens, sorts out, focuses, discards, and organises data in such a way that 'final' conclusions could be drawn logically and scientifically and the final product be verified (Miles and Huberman 1994: 11-12).

Figure 27: Components of data analysis: interactive model
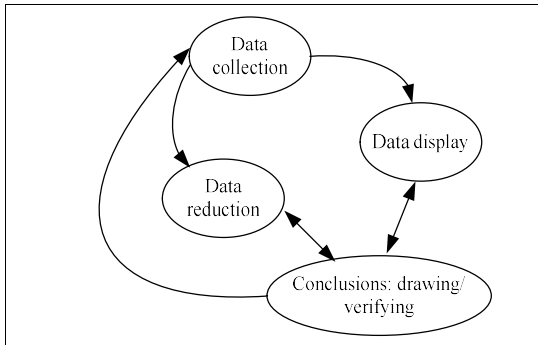
Source: Miles and Huberman, 1994: 12

Figure 28 shows data analysis procedures with different methods and tools.

Figure 28: Analytical procedures
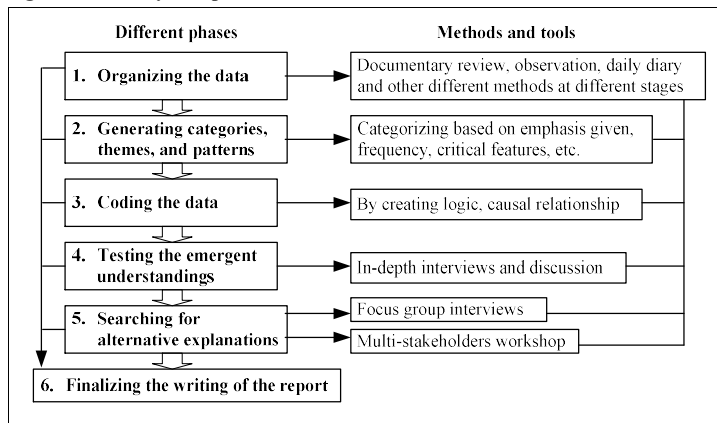
Source: Adapted from Marshall and Rossman, 1999: 152-53

The following sections describe how different data collection methods were applied. The section includes the methodological aspects only, while the outputs of the methods are discussed in different chapters.

1. Documentary review and content analysis

Marshall and Rossman (1999: 116) note that the review of documents is an "unobtrusive method, rich in portraying the values and beliefs of participants in the setting." Minutes of the meetings, log-books, announcements, formal policy statements were all useful in developing an understanding of the setting or group studied.

To begin with, key documents were collected from the case district and the policy level institutions working in the field of decentralisation and local governance. They included plan documents, progress reports, financial reports, decision records or minutes of planning committees, DDC and District Council. The main objective of the documentary review was to be familiar with the context. Additional objectives included the expediency to compile, review and assess key issues of participation, decentralisation, district planning and management. Based on the compiled data through documentary review, content analysis was carried out using different analytical tools and formats including compiling and describing key issues.

Power distribution and function matrixes

A power distribution matrix together with a function matrix were prepared and used to measure the degree of power and participation in different functional components related to district governance. The power distribution matrix primarily includes the decision-making power of key actors that are responsible for or involved in the identified elements of governance. It was further used in the study to identify the specific power-sharing scenario at both vertical and horizontal levels with different stakeholders. The matrices are shown in appendix 6 and 7 respectively. The following steps were followed in assessing status of power distribution.

1. All sectors and governance components of the district level were defined based on existing legal frameworks.
2. Relevant sub-components were identified and differentiated before clustering them under different components.
3. All government and non-government actors who have key roles in district planning and governance activities were identified based on documentary review and observation, and also reconfirmed through interviews.
4. The matrix was finalized based on discussions with key officials working at the DDC Secretariat: the kind of role performed by each stakeholder in terms of decision making, sharing of information, consultation, indirect influence, guiding and instructing were closely scrutinised.
5. The actual decision-making power of the DDC and status of participation of stakeholders were analysed in reference to the governance components of concern and other key stakeholders' roles.

Quantitative data collection using different cross-tables

A series of quantitative data were collected using checklist, simple tables and cross-tables from different sources, particularly on financial matters, and the progress status of implementation of the district plan. These data were processed in order to come up with planning, management and fiscal issues and also to support and reconfirm the data collected through qualitative means.

Thus the documentary review prepared a solid ground for the next step of data collection by providing rich insight into the research context and the status of pertinent issues.

2. Participant observation

Marshall and Rossman (1999: 106) consider: "Observation is a fundamental and highly important method in all qualitative inquiry." Here participant observations were taken into account keeping the following objectives in mind.

1. To verify the key issues related to decentralisation, participation, district planning and management that are identified through documentary review.
2. To further explore the issues after verification.
3. To identify new issues related to decentralisation, participation, district planning and management.

The researcher observed the following events in the case district:

1. Participatory planning workshops at village and *Ilaka* (sub-district) levels
2. Sectoral Planning Committee meetings
3. Integrated Plan Formulation Committee meetings
4. DDC meetings organised to finalize the district plan
5. District Council meetings organised for approving the district plan
6. Annual progress review meetings and discussion sessions both at district and central levels (MLD).

Almost all important meetings and planning workshops were attended (18 meetings, workshops and discussion sessions) during the field study. During the meetings and workshops, notes were taken reflecting the context, procedures, participation, behaviours of the participants, and the key agendas and issues discussed. The key issues compiled through documentary review were used as references of the exploration process during the observation. Some critical issues and their causal factors were further explored, discussed and reconfirmed with participants (reflexivity).

Due to high degree of familiarity with key officials in the case district, the researcher's presence in the setting was not taken as that of an outsider, which ensured easy access to officials and information. Moreover, the context was quite familiar to the researcher.

A checklist and matrices were developed to facilitate the data collection during participant observation and while interpreting and analysing the collected data accordingly. One of the tools was the use of an observation checklist containing details of information to be gathered and verified during the observation session. The observation checklist was prepared based on the research questions and the issues identified during the documentary review.

After the observation, data derived both from documentary review and observation were compared and prioritized for further exploration process. The observation guided study towards some of the important questions to be explored through daily diaries and semi-structured interviews.

3. Use of daily diaries: a step towards in-depth exploration

There were two principle objectives of collecting data using daily diaries. Firstly, to observe how the district and policy level officials deal with the pertinent issues and how they prioritise these issues in their daily activities. More specifically, to identify how attentively the officials address the pertinent issues of decentralisation, participation and district planning in their daily work.

The second objective was to explore new issues related to the research questions in order to enrich the contents of further exploration process as May (1999) sug-

gests: "The researcher would then focus on the data in order to understand how people go about their daily lives and compare each interview in this way to see if there are similarities" (May 1999: 125).

Two different-sized "Daily Diaries" were prepared and distributed to the participants: one in A4 size for those working at the policy level and a handy diary for those working at the district and middle level of policy-making. These diaries were given to the participants as a New Year's gift on the occasion of the Nepalese New Year, 2060 (mid-April 2003). The diary was prepared with a nice plastic cover containing various useful information such as telephone numbers (hospitals and embassies), human development indicators of all districts (75), long-distance telephone codes (both domestic and international), the latest population census (Census 2001) of all districts and municipalities (58), some useful planning and management tips, and other useful information. The intention of including this information was to encourage diary users to keep the diaries with them all the time so that they could better reflect upon the reality of their daily activities. A format of the daily dairy is included in appendix 8.

Moreover, personal assistants of policymakers were given a separate orientation and they were also given additional formats (A4 size) together with the printed diaries. The objective was to cover all diverse activities of the policymakers. A description of diary distribution is given below (table 47).

Table 47: Distribution and collection of daily diaries

Organisations		Total diary distributed	Total diary collected
Central level	Ministry of Local Development	30	22
District level	DDC Officials (5), Executive Officers of Municipalities (3)	8	6
	Line Agencies (10)	10	8
	External Development Partners (3)	3	3
	Civil Society Organisation (1)	1	1
	Total	52	40

Source: Field survey (daily diary, 2003)

Contents/information of the diary to be filled by the participants

The participants were requested to write down their daily activities immediately or at the end of the day at the latest. The information on daily activity was to be filled up on an hourly basis between 8 a.m. and 5. p. m. Additional space was provided to fill in the information for extended hours, if applicable. But time series analysis was not the aim of the diary. The participants requested to describe the following additional information at the end of the week (see appendix 8 for details):
1. Major achievements of the week
2. Descriptions and reasons, if the pre-planned important activities were not completed on the scheduled time.

Approaches adopted to enhance the quality and validity of data

1. Timely distribution and organisation of orientation sessions: Two separate orientation sessions were organised to give full briefing to the participants. The first session was organised for those at the central level (MLD meeting hall) and the second one at the district headquarters of the case district (DDC's meeting hall) on April 7, 2003 and April 9, 2003, respectively. To begin with, the diary-holders were appraised about why the information was being collected through them as outlined in the methodology section. Then they were taught precisely how to jot down the information on an hourly basis and at the end of the week with several practical examples.

It was guaranteed (as printed in the front page of the diary) that the privacy of the information would be sincerely respected. It was also clarified that the personal information was not required for the research purpose. It was clearly highlighted in the orientation session that the primary aim of the use of the data collection is not to analyse the information on an individual basis, but on a collective or aggregated basis.

The orientation was completed in a very open atmosphere at both the centre and the district level. Each orientation session took about two and half hours for presentation, guidance, clarification and discussion. The central-level session was also attended by the Secretary of MLD. He was also one of the participants of the session. He suggested to his colleagues to jot down the information in precise terms whatever they do as part of the duty. He also assured all officials that no disciplinary action would be taken based on the information provided through the diary.

The orientation session of the district level was organised in the Kavre DDC office. Almost all of the participants took part in the orientation session. The Local Development Officer (LDO) facilitated and coordinated the activities. For those who were not able to participate in the orientation, the researcher met them personally and briefed them about the use of the diary.

2. Frequent visits and facilitation: The researcher regularly visited the participants and assisted them in filling out information in the diary. At the same time, the researcher observed their daily activities so as to cross-check the accuracy of the data.

3. Random visits and direct observation: The researcher randomly visited some officials and spent a few hours with them observing the way they were jotting down bits of information in the diary. Almost all the participants were researcher's former colleagues at the MLD which implied they were well-known to the researcher. Visits by the researcher were not surprise activity for them. The participants did not feel uncomfortable while the researcher visited, observed and verified some of the information.

4. Collections, review and verification: The daily diaries were collected and reviewed after 4-6 months. A few of them were collected after 4 months because few participants were transferred elsewhere. While collecting the diary, the content (information) of the diary was browsed through quickly and doubtful bits of information were clarified then and there. The diary was given back to the participants after transcribing the information. The participants were already finding the diary a useful item.

Six participants did not allow the information to be photocopied. The main reason, as they insisted, was that the information was strictly private. In such cases, the researcher noted down the related information in front of the participants and gave them back the diary then and there. One of the six participants, who did not allow photocopying the diary, mentioned that his handwriting itself could serve as evidence, if it was presented in the court or any other authority. He did not directly refer to the name of the authority, but clearly indicated that he was afraid of the Commission for the Investigation of Abuse of Authority (CIAA), which was quite active at that time. Critical information was reconfirmed with the weekly and monthly work plans and progress reports. Organised information was given back to the participants to review and validate the diary information (reflexivity). Then the information was categorized and processed for analysis (table 48).

Table 48:   Category of diary information

Information categories/quality	District	Centre	Total diaries
A. Diary filled with full information/ highly satisfactory	5	7	12
B. Diary filled with almost all information/ moderately satisfactory	7	6	13
C. Diary filled with very less information/ not satisfactory	6	9	15
Total Diary Collected	18	22	40

Source: Field survey (daily diary, 2003)

Assessment and categorization of diary information

Based on the above categories, diary information were analysed following the principle of maximum contrast. Some interesting cases from category 'A' and some from category 'B' were selected for analysis.

The 'content' or information provided falling under the category 'C' was not analysed but segregated to explore the reason why they did not fill in the information properly. This question was explored during the time of returning their diaries (after transcribing). Few participants from category 'C' were also selected for exploratory interviews, because they shouldered important responsibilities in their respective organisations. Few participants who did not fill in the diary properly (category C) turned out to be very open and informative during the exploratory interviews. Thus the reasons behind not filling in the diary properly were further explored informally (table 49).

Table 49:   The reasons for not filling in the diary by few participants

Description	Number of responses
1. Busy throughout the day, but did find concrete activities which must be jotted down in the diary	3
2. Something good taken place but had forgotten to jot it down. These participants mentioned that they did not have a habit/practice of writing in a diary	2
3. Did not have anything to fill out: less work load, doing something, but for nothing	2
4. Almost all the time was spent in meetings, but had no satisfactory output	2
5. Deliberately did not write all the truths because some participants were using some office hours on their own private agendas (picking up children from school, going to bank and market, meeting some friends, etc.), which was against the rules	2
6. Just too lazy to fill in the information	1
7. Extremely busy and hence did not have time to jot it down	1
8. Did not have clear reasons/not mentioned honestly	2
Total number of diaries	15

Source: Field survey (daily diary, 2003)

The reasons for applying this method for data collection

The spirit of this research demanded measuring the differences between what was formally said and what was really done in practice. In other words, it was important to know how the world was formally understood (from formal declaration and publications) and how the world was in reality. Therefore, use of such a type of tool which collected some form of information close to reality was needed for exploration purposes of the study.

This could be done either by direct observation or by using some other methods. Direct observation of all the activities of such a big group of planners, development professionals and policymakers was simply not possible from the 'doable' perspective of the research. Both the cost and time factor eliminated the option of direct observation of all the officials covered by the research (see Schall 1994: 98). The second option of the use of daily diary was chosen to measure the reality of practice.

Moreover, the researcher initially came from the same institution (MLD) and similar professional background where this method was largely applied. The researcher's personal contacts and trustworthy relations with the officials were an advantage, and that facilitated the use of this method. Thus, firstly, mutual trust was not a real issue for the researcher, which was one of the critical aspects of the method. Secondly, access to alternative sources of information for triangulation purposes

was also not an issue. Thirdly, the daily diary method was complemented by direct observation. Most district-based participants were also well known to the researcher.

Some critical methodological issues associated with this method

Schall (1994) also used a similar method in Ghana, but for quite different analytical purposes: time series analysis and others. He reflects upon the observations from methodological perspectives in his research contexts. He notes: "The disadvantages of the method will rest on the lack of direct personal contact with the planners and the inability to monitor data entry into the daily diaries. It was hoped that planners complete the diaries on a daily basis so that the day's activities are 'fresh in their minds'. Delays in entering the information into the diaries could lead to many inaccuracies which could distort the final analysis. The method placed a heavy reliance on the timely and accurate completion of the diaries over an extended period of time. […] A daily diary as a format for data collection can only be helpful in structuring the manner in which data is inserted by the planners under investigation" (Schall 1994: 98-99).

The following aspects are critical to this method.
1. Use of daily diaries for research is a very controversial issue. No one wants to leak secrets even as no one really wants to publicise his/her inefficiencies. Therefore, the relationship between researcher and participant is very crucial in this method. If they do not have mutual trust, this method is not recommended. There is a danger of getting a distorted situation 'as reality.'
2. One should not use the daily diary as a stand-alone method of data collection. Polished-up information can easily distort the interpretation and findings.
3. If the above conditions are manageable, it is very important to complement the daily diary method by direct observation. Moreover, the data have to be triangulated from different sources before proceeding to interpretation and analysis.

These methodological shortfalls are to be sorted out and kept in mind in designing phases when using such methods. Nonetheless, daily diary method might be useful for a single-institution focused action research, where a 'trustworthy' environment exists. The output and some typical findings of this method are discussed in different chapters along with the findings of other methods.

4. Semi-structured exploratory interviews

Marshall and Rossman (1999: 108) note: "Qualitative research relies quite extensively on in-depth interviewing." Interviews have particular strengths which help the researcher in exploring the subject matter under study. It is a useful method for getting much data very quickly.

The exploratory interview was one of the principle methods used in the research. Key discussion points were identified and follow-up questions were prepared as a loose checklist on an individual basis, based on the key issues identified. A total of thirty-four semi-structured interviews were conducted, ranging from the district to the central-level key officials. Respondents were identified based on the nature of the research issues and specific subject matter under inquiry. A description of the respondents interviewed is given in table 50.

Table 50:   Respondents of the semi-structured interviews

Respondents	Number of exploratory interviews
- Ex-elected officials of local bodies (DDC, VDCs, and Municipalities) (men - 4, women-2)	6
- Key officials working in the DDC Office/Secretariat of DDC (Local Development Officer, District Planning Officer, Programme Officers, Account Officers) (women-1, men-4)	5
- Executive Officers of municipalities (men-3)	3
- Key officials of line agencies (Member Secretaries of sectoral planning committees) (men-4)	4
- Private sector representative (Chambers of Commerce and Industry) (man-1)	1
- Representative of civil society organisations (man-1)	1
- Representatives of associations of Local Bodies (men-3)	3
- Representatives of external development partners (Representative of donor agencies working at local level) (men-2)	2
- Key government officials working in the Ministry of Local Development (decentralisation policy level) and National Planning Commission (NPC) (women-2, men-5)	7
- Other officials (women-2)	2
Total	34

Source: Semi-structured interview, 2003-2004

Tape or any other related electronic recording gadgets were avoided to increase the openness of respondents and exploratory sense in the interview process. Interviews were conducted in a very informal way in order to create an informal environment so that the respondents were not only comfortable but also at ease while the discussion was underway and inherent factors were being explored. Some key informants were interviewed repeatedly to reconfirm some issues and related information while further exploring the critical issues.

After a few interviews (2-3), the questionnaire/checklist was further improved based on the experience (appendices 9-11). An interactive approach was adopted to encourage reflexivity in interpretation of the ongoing data collection (Lincoln and Guba 1985 in Collins et al. 2003: 21). An observer took notes at the beginning phase of the interviews (10 interviews), while the interviewer focussed on interviewing

and discussing the issues. The majority of the interviews were very open and interactive with in-depth discussion.

In the process of the exploratory interviews, a few respondents were found with a high level of explicit biases and a few others were not telling the 'truth.' In these cases, the interviews were directed towards exploring the 'truth' or the real story. The contents of these interview cases were not interpreted and analysed, but context and causes were further explored and analysed. In the process of in-depth exploration, extreme cases were used to compare opinions with another extreme case. The interview data were clustered in different categories for coding and analysis purposes (table 51).

Table 51:   General patterns of interview data: contrasting cases

Level	Total interviews	Extreme cases Very informal and open containing more 'truths'	Average cases	Extreme cases Very formally presented, less open, defensive and complaining: containing less 'truths'
District level	15	4	8	3
Central level	10	3	5	2
Sub-district, municipal, village, others	9	2	5	2
Total	34	9	18	7

Source: Semi-structured interview, 2003-2004

Data organisation, interpretation and analysis

Qualitative data gathered from the semi-structured interviews were organised and coded under different themes of the research issues (grounded theory approach). All coding was done manually under different themes, and further exploration contributed to the continuation and building up of further exploration and research findings. Thus the themes were systematically built up based on the data collected from different sources at different points in time.

Interpretation and analysis was done following the principles of maximum contrast. At the beginning, all interview data were reviewed and patterns were created based on the nature and quality of the data. Different patterns/clusters were analysed comparing each other, and contrasting cases, in particular. The respondents' names and positions are not noted either in the description or the data analysis.

The information gathered from these exploratory interviews provided different opinions and insights (Yin 1984 in Marshall and Rossman 1999: 106) into the key players of decentralisation, district planning and implementation. The information enabled the exploration of many causal and invisible factors that are interwoven with different issues.

5. Focus-group discussion (FGD)

A total of five focus group discussions were conducted in three different locations of the district (table 52). A set of simple checklists/questionnaires relevant to research questions was prepared for provoking the focus-group discussion sessions. One independent observer took notes covering the situation, level of participation, participant's attention, etc. Another person took notes following the contents of the discussion mostly based on the checklist/questionnaire (appendix 12). Some issues came from outside the checklist/questionnaire. Based on the experience, the checklist/questionnaire was updated for the subsequent group discussion sessions.

The participants of the focus groups were selected in a way that made the group heterogeneous in order to capture differing opinions and points of view. The groups were composed of five to ten participants representing different community-based organisations and institutions. Moreover, the VDC Secretary and former VDC and DDC members representing that location or sub-district level were also invited for separate discussions (table 52).

Table 52: FGD with representatives of local level institutions

Local level institutions	
Representatives of Community Based Organisations (CBOs) and Representatives of Cooperatives FGD: 2 Participants: 16	Forestry user groups User committees *Tole*/area improvement committees Local school teachers (representatives of teacher's association) Social workers Youth and sports clubs *Dalit* groups (socially marginalised groups) Milk production cooperative Fresh vegetable production cooperative Saving and credit cooperative Fruits production cooperative Vegetable seeds production cooperative
VDC Secretary and Ex-elected VDC and DDC Officials FGD: 1 Participants: 7	VDC Secretary VDC Ex-Chairperson Former DDC member Former VDC members
Representatives of Dalit Community Groups FGD: 1 Participants: 5	Users' Committee/groups Saving and credit groups

Local level institutions	
Women's CBOs and Cooperatives FGD: 1 Participants: 10	Women's cooperatives Village Girls Trafficking Prevention Task Force Mothers groups

Source: Focus group discussion, 2004

In the first discussion session, three women participants attended out of a total of ten participants. There were two major reasons behind the limited number of women participants. Firstly, the time of the group discussion was not appropriate for the women. The first group discussion was organised in the morning. Most of the women were busy in household activities at that time. Secondly, the discussion was organised in the rural market place, where most participants generally come either to sell their agricultural products (milk, vegetables, fruits, etc.) or to buy household or agricultural inputs. The intention of organising the discussion in the morning was to help avoid an additional burden of time to the participants. However, most participants who came to the market centre were men.

From a gender perspective, male participants dominated the first group discussion session. Male participants themselves interpreted most gender issues from their own perspectives. As the number of women participants was not sufficient, their point of view was under-articulated. That was enough to require one whole session exclusively with women's CBOs and cooperatives. These separate discussion sessions were very instrumental in articulating critical issues of social inclusion and equity.

All group discussions were very open, critical and interactive. Diverse ideas were brought into the discussion from different perspectives.

6. Multi-stakeholders workshop

The objectives of organising the multi-stakeholders workshop were as follows:
–   Final validation of issues, causal relationships and potential implications of issues related to participation, decentralisation and district planning.
–   Presentation of preliminary research findings and collecting stakeholders' perspectives.
–   Exploration of recommendations for the way that the participants articulate issues, problems and solutions from different perspectives.

There were altogether 25 participants in the district level workshop representing different agencies: district level line/sectoral agencies (agriculture, education, technical office, etc.), non-governmental organisations, private sectors and the DDC officials.

The researcher presented a summary of the research focusing on the key issues and summary of provisional findings. After giving a short presentation, the forum was opened for clarification, discussion and comment on the key issues and the research findings. The participants gave their views quite enthusiastically. One programme officer of the DDC took note of the discussion points and another observer took notes covering the context, environment of the discussion and participation using 'observer's notes.'

All the participants unanimously agreed with the key issues and findings, which was quite surprising. It was expected that some serious challenges and defensive attitudes of the participants would come forth because many findings were presented in a negative tone, and the participants were also directly or indirectly responsible for these issues.

Constructive suggestions were provided as recommendations from different perspectives. Then metacards were distributed for collecting participants' views as a part of recommendations from their perspectives. At the end, some participants suggested focusing the recommendations on the most critical issues.

In addition to the workshop at the district level, a separate meeting was organised in Kathmandu involving the central level officials responsible for policy-making functions. A total of seven participants took part in the meeting and a discussion was followed by a short presentation. The discussion was focused on the key policy issues and measures to be taken to address the issues raised by the study. There was no serious disagreement except some suggestions for making the findings more precise.

7.   The case district: Kavre-Palanchowk

7.1   Location, demographic features and land-use pattern

Location and area

Kavre-Palanchowk district, which is commonly called Kavre, was selected as the case district for this research. It is located in the mid-hills just outside the eastern part of the Kathmandu Valley. The total area of the district is 1,396 sq/km. The district is composed of a number of small valleys and mountains. The headquarters of the district is Dhulikhel, which is 30 km. east of Kathmandu, the capital city (figure 29).

Figure 29: Map showing the location of Kavre district

Source: DDC Kavre, 2001

Demographic features

The total population of the district is 385,672. According to the census (2001), Kavre district has 52,906 (13.72 percent) urban population (table 53), including the population of three municipalities and a few urban centres. The urban population of the district was less than 4 percent in 1991. The recent trend shows that it is one of the very fast urbanizing districts. All three municipalities are interconnected and lie in a small fertile valley. The land conversion rate (prime agriculture area to built-up area) is very high because of the rapid expansion of settlements due to increasing population pressure in the urban areas.

Table 53:   Demographic profile

Description	Number
Total population	385,672
- Men	188,947
- Women	196,725
Urban population (municipal and urban centres)	52,906
- Men	25,991
- Women	26,915
Rural population	332,766
- Men	162,956
- Women	169,810
Total number of households	70,509
- Urban	10,404
- Rural	60,105
Average size of HH	5.47
- Urban	5.09
- Rural	5.54
Population density (person/sq. km.)	276

Source: CBS, 2001

Migration from rural areas to municipal areas and urban centres is very high, feeding the population growth rate in urban areas. This is mostly because of the deteriorating conflict situation in the rural areas (push factor).

Concentration of goods and services, higher chances of employment and other economic opportunities available in urban centres are additional factors of rural-urban migration (pull factors).

Thus, both 'pull' and 'push' factors are contributing to the rapid growth of population in urban areas.

Constituencies, *Ilakas* (sub-district), VDCs and Municipalities

The district is divided into three different parliamentary constituencies and divided into 15 *Ilakas* (sub-districts) for the purpose of DDC elections and district planning. *Ilaka* is an intermediary level between VDCs and Municipalities and the district.

There are three municipalities, namely Dhulikhel, Banepa and Panauti, and 87 VDCs in the district (figure 30).

Figure 30: *Ilakas*/sub-districts and VDCs, Kavre
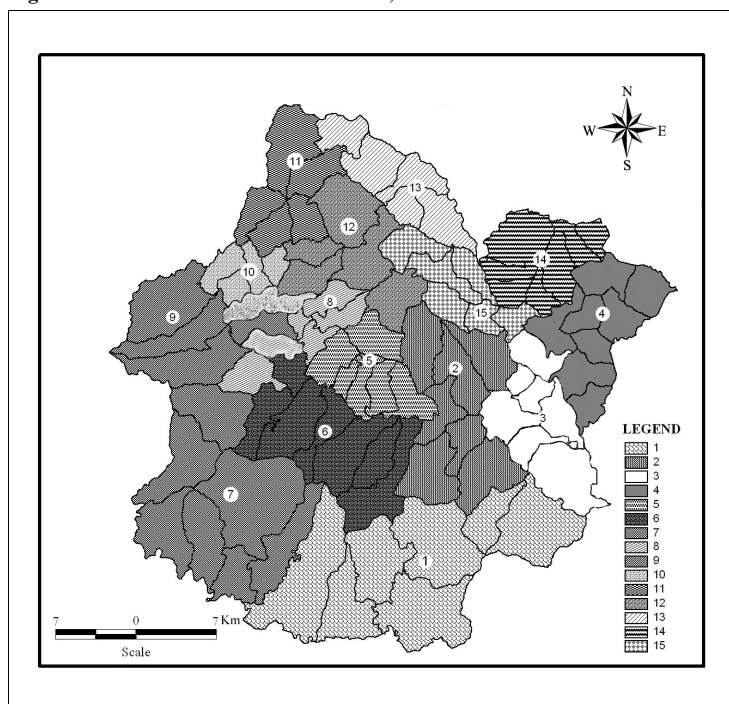
Source: DDC Kavre, 2001

Spatial dimension, land-use patterns and other features

The north-western part of the district has very good access to three larger cities of the Kathmandu Valley (Bhaktapur, Kathmandu and Lalitpur). The district is well connected with the national road network and with Tibet, China (84 km. from the district headquarters) and other parts of the country. The newly constructed highway connecting it with the Terai (flatland in the southern part of the country) will have significant impact on socio-economic conditions in the district once the construction is completed. Thus the level of interdependency of the district and functional-spatial integration will be further strengthened in the near future. The land-use pattern of the district is given in table 54.

Table 54: Land use pattern, Kavre, 2001

Description of land use pattern	Area (ha.)	%
Total area	140,486	
Cultivated land	36,439	25.9
Uncultivated land	25,155	17.9
Forest covered area	39,565	28.2
Shrub covered area	34,236	24.4
Pasture land	3,751	2.7
Rocks, sand, water	1,340	0.9
Area covered by community forestry	13,010	
No. of households benefiting from the community forests	28,469	
No. of community forest user groups	326	
Area covered by leasehold forestry	729	
No. of households benefiting from the leasehold forest	1,088	
No. of leasehold forest user groups	164	

Source: DDC Kavre, 2001

7.2 Socio-economic conditions

Local economy

The district is very attractive place from a tourism point of view. Agriculture is still the major economic base of the household economy even in the urban areas. The agriculture sector provides 43.68 percent of income and large employment opportunities to its urban and rural population (table 55 and 56).

Table 55: Socio-economic profile, Kavre, 2001

Description	Number	%
Total area (sq.km.)	1396	-
- Urban (Municipal areas)	49	3.51
- Rural (VDC areas)	1347	96.49
Households having access to safe drinking water	56,407	80.00
Households with toilet facilities	44,646	63.32
Average farm size (in ha.)	0.57	-
Irrigated land (in ha.)	3,360	9.2

Source: CBS, 2001

Agriculture, fishery and forestry constitute highest source of per capita income (43.68 percent) followed by transport, communication (13.76 percent) and trade (13.25 percent). See table 56.

Table 56:   Estimated per capita income from different sources, Kavre, 2003

Description	Income (NRs.)	%
Agriculture, fisheries and forestry	3,436	43.68
Mining and quarrying	28	0.36
Manufacturing	435	5.53
Electricity, gas and water	68	0.86
Construction	622	7.91
Trade, restaurants and hotels	1,042	13.25
Transport, communication and storage	1,082	13.76
Finance and real estate	710	9.03
Community and social services	443	5.63
Total economy (total value added)	7,866	100

Source: UNDP, 2004: 154-155

Productivity in the agricultural sector has been stagnant or even decreasing in rural areas. However, it has been increasing in urban areas and the periphery. Agricultural production patterns on the periphery of urban areas have been changing from traditional (food grain production) to more commercial based urban agriculture such as vegetable cultivation, floriculture, horticulture, and other cash crops (DDC 2001).

This district meets a significant demand of the Kathmandu Valley. The urban centres and rural areas in the periphery meet more than 30 percent of the demand of seasonal vegetables in the Kathmandu Valley, about 15 percent of seasonal fruits and more than 60 percent of milk products (DDC 2001).

Contrary to this, the far-eastern and southern parts of the district (about 30 VDCs), which comprise about 40 percent area of the district, are very backward and not even comparable to the parts that are well connected to Kathmandu Valley through the road networks. However, disaggregated information reflecting inequalities in the socio-economic condition are not available.

Table 57:   GDP and per capita income, Kavre, 2004

Description	Amount
GDP at market prices (NRs.)	8,200
Per capita income NRs. at market prices	21,262
Per capita income in US $	288
Per capita income in purchasing power parity (PPP) $	1,572

Source: UNDP, 2004: 154-155

UNDP (2004) describes the GDP of Kavre at market price as NRs. 8,200 and the average per capita income US$ 288, which is slightly higher than the national average of US$ 240 (table 57). Some figures, which are quoted from the same source, are in conflict with each other (see table 56 and 57). Table 58 shows the economically active population and employment status of Kavre district.

Table 58: Employment status, Kavre, 2001

Description	Number
Economically active population over 10 years of age	173,479
Employer	6,073
Employee	40,259
Self-employed	112,487
Unpaid family workers	14,660

Source: CBS, 2001: 236

As shown in the table, self-employed includes the population engaged in agriculture, and these are basically semi-employed since the agricultural sector does not provide full year employment. Detailed information describing employment rates in the district are not available.

Social and technical infrastructures

Education and health facilities

Recent indicators show that the average literacy rate of the district is 64 percent (2001). The district has relatively good educational facilities that have been established recently (table 59). Most of these are concentrated in more accessible urban areas. The southern and far-eastern part of the district is far behind.

Table 59: Educational facilities

Description	No.
No. of primary schools - up to grade 5 (government 452 and private 57)	509
No. of lower secondary schools (up to grade 7)	112
No. of higher secondary schools (up to grade 10): government 75, private 10	85
No. of upper secondary schools (grade 11-12)	9
No. of colleges (up to bachelor level)	3
No. of universities (Kathmandu Uni., Siddhartha University - proposed)	1
Number of technical schools	3
Teacher-student ratio: - Primary schools	1:40
- Lower and higher secondary schools	1:35

Source: DDC Kavre, 2004

Public health facilities are distributed throughout the district. But the service quality in remote areas is very poor. Private clinics and nursing homes are located in the municipal areas of the district (table 60).

Table 60:   Health facilities and related indicators, Kavre, 2001

Description	No.
Hospitals (community, mission and NGO operated hospitals)	3
District Health Office	1
Primary Health Centres	4
Health Posts	10
Sub-health Post	81
Nursing Homes	8
Ayurvedic Pharmacy (oriental traditional medicine)	5
Ambulances	5
Infant Mortality Rate (per 1000)	64
Child Mortality Rate (per 1000)	118
Maternal Mortality Rate (per 1000)	5

Source: DDC Kavre, 2001

There are three hospitals established and operated by local communities (Dhulikhel hospital), missions (Banepa) and one other hospital operated by a non-governmental organisation (Children's Orthopaedic Hospital, near Banepa). There is no government hospital in the district. The health facilities and the related key indicators of health are given in table 60.

Transportation and accessibility situation

The majority of the VDCs (65) and all the municipal areas are connected to seasonal road networks. However, twenty-two VDCs still have no road connections. Most of these VDCs are in the southern and far-eastern part of the district (figure 31) having very low socio-economic conditions.

Figure 31: Accessibility by motorable roads
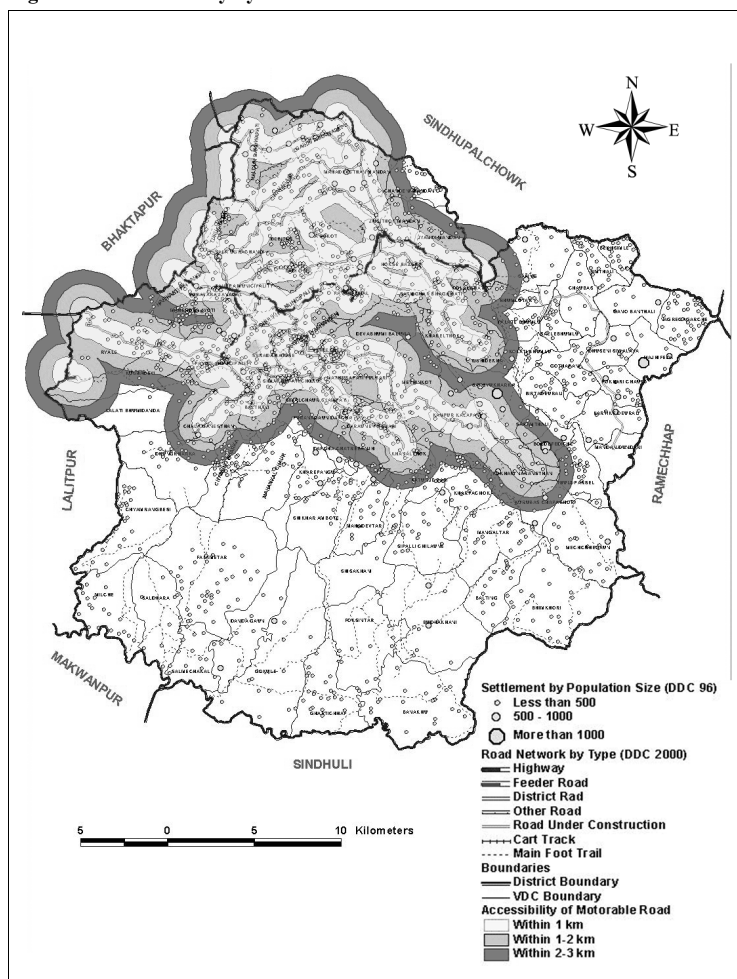
Source: DDC Kavre, 2001

Industries

There are 1,333 cottage, 1,023 small and 35 medium sized industries are registered in the district (DDC 2001). Most of these industries are also concentrated in urban centres.

Telephone and electricity

Telephone service is available in all Municipalities (3) with 1,950 normal lines and mobile phone facilities in 27 VDCs. All municipalities and 31 VDCs are connected with the central grid of electricity (19,000 households), 11 remote VDCs have micro-hydro power plants (856 households), and four VDCs (127 households) have solar energy facilities (DDC 2001).

7.3   Key development indicators of the district

Kavre district has been evolving as one of the progressive districts in terms of improving its overall development indicators in comparison to the average districts. The district was under the category of average districts in 1996 (among majority of the districts in Nepal). However, its key indicators have shown significant improvement in the average quality of life in 2004. Table 61 shows comparative development indicators in the years 1996 and 2004.

Table 61:   Key development indicators of Kavre district vis-à-vis Nepal

Indicators	1996		2004	
	Nepal	Kavre	Nepal	Kavre
Life expectancy at birth (average)	53.7	54.1	60.98	69.33
Women	52.4	48.2	61.50	70.56
Men	55.0	60.0	60.50	68.20
Adult literacy (average)	-	-	48.60	56.00
Women	21.33	15.87	34.90	41.70
Men	54.32	50.49	62.70	71.60
Human development indices (HDI)[8]	0.325	0.328	0.471	0.543
Human poverty index (HPI value)	49.7	NA	39.60	33.50
Human poverty index rank (Kavre)	NA	NA	-	10
Selected political empowerment indicators				
Voter turn-out in the national election (%)	NA	NA	66.05	65.72
Political empowerment index	NA	NA	0.646	0.626
Overall human empowerment index	NA	NA	0.463	0.510

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[8] Human development indices are calculated based on different specific indicators that include life expectancy at birth, adult literacy, mean years of schooling, GDP per capita.

Indicators	1996		2004	
	Nepal	Kavre	Nepal	Kavre
Selected gender- sensitive indicators				
Women's participation in local elections (%)	NA	NA	19.33	19.64
Women in professional job	15.06	13.48	18.75	21.38
Women in administrative jobs	9.30	9.65	12.71	12.10
Women's share in income	0.17	0.21	0.302	0.333
Gender empowerment measure (GEM)	0.191	0.155	0.391	0.421
Rank of Kavre district in GEM	-	19th	-	10th

Source: Nepal South Asia Centre, 1998: 264-272 and UNDP, 2004: 141-169

Table 61 shows that life expectancy has been increased significantly in the district with a pace similar to national increments. Voter turn-out in the national election in the district is less than the national average. That might be partly due to lower level of political awareness in remote areas and the conflict situation in the southern and far-eastern VDCs.

It is estimated that the development indicators of remote rural areas are much lower than the district average, given the poor accessibility to basic infrastructure and facilities. However, there is no reliable information available to compare the situation.

8.   Planning and implementation in Kavre: exploration and analysis

This chapter, based on the case district, offers in-depth discussions on the critical issues of decentralisation, district planning, implementation linking to power and participation. Empirical evidence responding to the research questions is included in the respective chapters. The responses to research questions directly related to implementation gaps are included in chapter 8.6. Therefore, the presentation and analysis of the empirical findings may not be found in a sequential form.

The dynamics of power and participation which build the theoretical framework of the study are discussed referring to the information collected from different sources (chapters 8.3, 8.4, 8.5, 8.7 followed by chapter 9.2). At the end of this chapter, a summary of synthesized findings is added.

8.1   District planning institutions and key stakeholders

District planners

The role of planners in the district is very diverse. They need a broad political administrative and inter-sectoral knowledge and skill to effectively perform their responsibilities.

There are many officials who perform the role of planner, directly or indirectly, from different fronts: political, technical and professional.

– Local Development Officer (LDO) – acts as lead planner and development coordinator in the district
– District Planning, Monitoring and Administrative Officer specifically assigned to support district planning related activities and to assist the LDO
– Programme Officers - responsible for different Sectoral Planning Committees
– Chief of sectoral line agencies – responsible for sectoral planning – responsible for sectoral planning process
– Sectoral Planning Officers working in different line agencies
– DDC Members - chairs the sectoral planning committees
– DDC President - chairs the Integrated Plan Formulation Committee (IPFC), leads the DDC and chairs the DC meeting

The functions and responsibilities of the district planner working in the DDC are outlined below:

Database preparation and updating
– Prepare, update and publish the database including the GIS maps for planning purpose and public use
– Try to influence planning decisions to be more rationally based on the findings of situation analysis

Planning and policy making
- Help in preparing district level planning guidelines, policies and budget estimates
- Conduct a review of cost estimates and assist in project design
- Prepare periodic and annual district development plans following participatory planning processes
- Ensure stakeholders' participation in different stages of district planning
- Compile proposals and requests of VDCs, municipalities, NGOs and CBOs and process the Sectoral Planning Committee meeting
- Consolidate the output of *Ilaka* (sub-district) level workshops, and present at Sectoral Planning Committee meetings
- Facilitate sectoral planning committee meetings and IPFC meetings
- Assist the LDO in the DDC and District Council meeting for taking planning decisions in particular
- Compile and consolidate district plans and programmes and send the same to MLD, NPC, sectoral ministries and departments on time

Implementation and development management
- Implement planning policy of the central level and the DDC
- Mediate between different interests and help resolve conflicts related to planning and implementation
- Follow-up and lobby at the central level for the district's interests
- Facilitate the implementation process, help solving problems and monitoring
- Prepare proposals and help the LDO to coordinate with donors
- Facilitate and coordinate different agencies in planning and implementing district plans and programmes
- Organize meetings of different committees and coordinate their activities
- Communicate with different line agencies, central level agencies, NGOs, CBOs, VDCs and Municipalities
- Prepare recommendation letters to different agencies (donors and the central level) for financial assistance for projects requested by individuals, CBOs, private sectors, VDCs and Municipalities
- Recommend the release of the VDC budget on an instalment basis for implementing development activities (for about 200 projects/year)
- Liaison with key stakeholders (donors, line agencies and ministries, NGOs, CBOs, private sectors, local bodies)

Monitoring and evaluation
- Organise and facilitate progress review meeting
- Assist the LDO in progress reporting to the DDC, District Council and central level authorities

Administrative and other activities

The planners have to perform the following functions on a day- to-day basis apart from those outlined above. These administrative activities occupy a bigger slice of the total work load in the DDC.
- On behalf of the DDC, recommend local people for citizenship, passports and related public services

–   Deal with political leaders on different issues
–   Attend to internal and personal management and related affairs
–   Take account of disaster management and rehabilitation related activities
–   Counsel local people and community organisations

Evidently, planners have to perform almost all sorts of functions on a day-to-day basis. Activities other than those related to planning are more pressing. This explains why planning gets less and less attention.

Participatory district planning in the multi-stakeholders setting

Participatory district planning recognizes the role of multi-stakeholders, and the planning process brings all key stakeholders – representatives of communities, local NGOs, private sectors, political leaders, and technicians and bureaucrats together under a common planning platform. This allows and encourages sharing of stakeholders' perspectives in an open and interactive manner.

There are different institutional arrangements and networks to initiate development interventions in the district despite the newly established local planning and local government structure. These key planning institutions and stakeholders are briefly described in this chapter.

The District Council

The District Council is the legislative body of the district level local government and the apex body to approve district policy, development plans and programmes. The composition of the District Council, Kavre is given in table 62.

Table 62:   Structure of the District Council – Kavre, 2001/2002

Officials/representation	No.	Constitution/electoral process
DDC President	1	Elected by electoral college of Village and Municipal Council members (who are elected by the people)
DDC Vice President	1	Elected by electoral college of Village and Municipal Council members (who are elected by the people)
DDC members from each *Ilaka* (Sub-district)	15	Elected by electoral college of Village and Municipal Council members from the concerned *Ilaka*
Nominated District Council members	6	Nominated by the District Council[9]
Members of the House of Representatives	3	Ex-officio member, directly elected by the people.

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[9] The District Council nominates six Council members including one woman from amongst those social workers, socially and economically backward communities, tribes and ethnic communities, downtrodden and indigenous people who do not have proper representation in the District Council.

Officials/representation	No.	Constitution/electoral process
Members of National Assembly from within the district	-	Ex-officio member. There was no such member participating in the meeting during the 5-year period (1997-2002).
Municipal Mayors and Vice Mayors (from 3 Municipalities)	6	Directly elected by the people.
VDC Chair and Vice Chair (from 87 VDCs)	174	Directly elected by the people.
Total	206	

Source: DDC Kavre, 2002

District Council's Sectoral Advisory Committees

As envisioned in the LSGA, different advisory committees are formed which are chaired by different District Council members. The basic function of these advisory committees is to help the District Council to carry out its responsibilities by extending advice on different matters (table 63).

Table 63:   Structure of District Council's Advisory Committees – Kavre

Name of the committee	No. of members	Related legal provisions
Account Committee	5	LSGA, Clause 188 (4)
Infrastructure Development	3	
Agriculture, Forestry and Environment	3	LSGA, Clause 188 (5) and the LSGR Clause 193
Population and Social Development	3	
Organisational Structure and Administration	3	
Water Resource and Land Administration	3	
Total	20	

Source: DDC Kavre, 2002

These committees, except for the account committee, were not very functional or effective in the district for two reasons. First, the mandate given to these advisory committees was very broad and there was a lot of overlapping of functions of sectoral planning committees formed by the DDC for district planning purposes. Second, the sectoral mandates of these advisory committees were not compatible with the planning committees. Therefore, it is very difficult for these advisory committees to carry out their functions effectively as expected.

The District Development Committee (DDC)

The DDC is the local government unit at the district level to lead, coordinate and facilitate local development activities within the district. The DDC, in the capacity of the district level local government, carries out executive functions.

The DDC has both political and bureaucratic structures. The political structure is as envisioned in the LSGA and headed by the DDC President, and consists of a Vice President and DDC members, both elected and nominated (table 64).

Table 64: Structure of District Development Committee, Kavre, 2001/2002

Officials/representation	No.	Composition/electoral process
DDC President	1	Elected by Village and Municipal Council members
DDC Vice President	1	Elected by Village and Municipal Council members
DDC members from each *Ilaka* (sub-district)	15	Elected by Village and Municipal Council members
DDC members (including one women)	2	Nominated by DDC from amongst the nominated members of the District Council (6).
Members of the House of Representatives	3	Ex-officio Member
Members of National Assembly from within the district	-	Ex-officio member. There was no such member participated in Kavre during 5 years period.
Total	22	

Source: DDC Kavre, 2002

The bureaucratic structure is related to its Secretariat and is headed by the Local Development Officer (LDO). The LDO carries out his/her roles and responsibilities as outlined in the law under the general guidance of the DDC President. His/her primary responsibility is to implement the decisions of the DDC and the District Council. The LDO also works as a Secretary of the DDC. District Planning, Monitoring and Administrative Officer and Account Officer and other DDC local staff assist the LDO. These three officers are assigned by the central level to work for the DDC. The DDC has the right to create positions, recruit and fire local staff. The organisational structure of the DDC Secretariat Kavre is given below (figure 32).

Figure 32: Organisational structure of DDC Kavre, 2003/2004
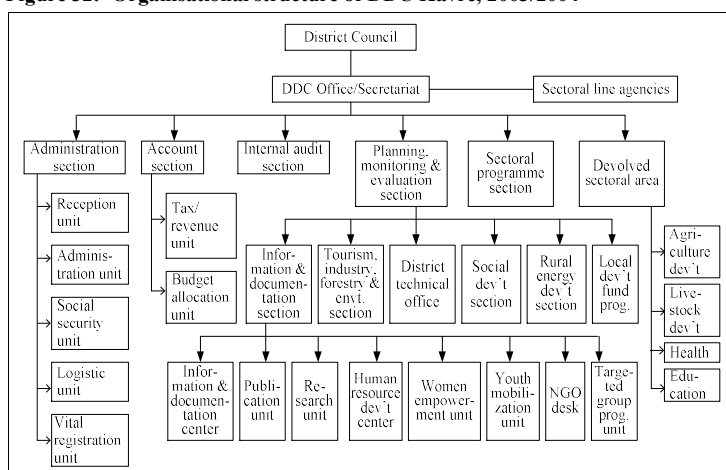
Source: DDC Kavre, 2004a

The DDC's main functions and responsibilities as outlined in the law (LSGA, Clause 189) are to facilitate and coordinate with other agencies in implementing the decisions of the District Council. There are 16 different sectoral and cross-sectoral functions of the DDC. To summarise, the DDC has the following functions to be carried out as a part of the daily duty (table 65):

Table 65:   Major functional components of DDC

Functional components	Detail of functions
Policy making	Setting of district policy
	Guidelines for planning
	Setting of development principles
Planning	Vision building (long-term)
	Data-base preparation and updating
	Defining development goals and objectives
	Determining development priorities
	Defining indicators
Administration	Hiring/firing of staff
	Career development of staff
	Internal management
	Defining procedures and determining delivery mechanisms
	Customizing service delivery norms and standards
	Assurance of equity in public service delivery
	Grievance handling of people and facilitation to get them access to different services provided by other agencies

Functional components	Detail of functions
Financing/ budgeting	Determining tax rates, fees, etc.
	Revenue collection from different sources
	Distribution of grants
	Expenditure approval
Implementation	Guidelines for implementation
	Priority setting (identification of criteria)
	Implementation of development activities
	Preparation/approval of plan of operation
	Trouble-shooting (implementation)
Monitoring/ evaluation	Identification of indicators
	Carry out monitoring
	Supervision and evaluation
Agency functions	Vital registration, social security programme implementation

Source: Author's construct (LSGA, observation and interview, 2002-2003)

The line agencies

The central-level support for local development is brought to the district in diverse ways using different institutional mechanisms. Almost all technical ministries have either their divisional or district level offices. Very few ministries, such as the Ministry of Environment, Science and Technology (MEST) and the Ministry of Tourism, do not have their field level agencies. These ministries either provide support through the DDC (seldom) or implement programmes directly from the centre (in most cases). Donor support related to sectoral development is also streamlined through the concerned sectoral field offices. Thus the sectoral line agencies mobilise the biggest slice of the development finance in the district development, which has been analysed in chapter 8.6.

The MLD extends support through DDCs and Municipalities. The nature of programmes supported through the MLD include capacity building of local governments, strengthening of the decentralisation process, poverty reduction and social mobilisation, social security, development of deprived and ethnic groups, small infrastructure development and so on. The MLD provides different types of grants which are discussed in chapter 8.6 in detail.

The DDC together with its Sectoral Planning Committees (4) and Integrated Plan Formulation Committee (IPFC) carry out the district planning functions.

Sectoral Planning Committees: line agencies and other stakeholders

All line agencies and representing organisations of NGOs, private sector and other financial and educational institutions in the district are directly or indirectly involved in different sectoral planning committees depending on the nature of their work and institutional mandates (table 66).

Table 66:   Sectoral Planning Committees, Kavre, 2001/2002

Planning committees	Sectoral institutions
Agriculture Development	District agriculture office, cooperatives, agricultural inputs corporation, livestock, related NGOs, and invitees.
Industry, Forestry and Environment	Cottage and small industry, forestry, soil conservation, related NGOs, DCIC representatives, other invitees.
Health and Social Development	Public health office, hospitals, district education office, educational institutions, NGOs working in social sector, women development, drinking water and sanitation, etc.
Physical Infrastructure Development	District irrigation office, district technical office, road, telecommunication, electricity, other invitees etc.

Source: DDC Kavre, 2002

A DDC member is assigned by the DDC to coordinate each Sectoral Planning Committee (SPC) and the chief of the concerned line agency (as assigned by the DDC) acts as Member Secretary of the committee. The representative of NGOs is nominated by the DDC President to represent the related Sectoral Planning Committee. The role and detail structure of these committees are discussed in chapter 8.3.

Integrated Plan Formulation Committee (IPFC)

The IPFC consolidates all sectoral plans and programmes recommended by the Sectoral Planning Committees before presentation at the DDC meeting (LSGA, Clause 198). The DDC President chairs the IPFC and all the Coordinators of Sectoral Planning Committees participate as members.

Other committees at DDC level

The DDC has the legal authority to organise committees or sub-committees as per their need. There are different committees in the district organised for different purposes (table 67).

Table 67:   Other committees in the district, Kavre, 2001/2002

Description	Composition	Summary of mandates
Agriculture Programme Implementation Committee	Chairperson: DDC President Members: DDC Vice President, DDC members, LDO, Representatives of agriculture-related NGOs, Agriculture Officer, Chief of Irrigation Office and other related line agencies.	Facilitate implementation of agriculture related plans and programmes provisioned in the Agriculture Perspective Plan (APP)
District Energy Committee	Chairperson: DDC Vice President Members: LDO, Planning Officer, Programme Officers, District Energy Advisor, District Dev't Advisor, District Engineer and others.	Promotion of energy sector (micro-hydro, bio-gas, solar, improved cooking stoves, etc.) in the district.

Source: DDC Kavre, 2002

There are no committees in Kavre DDC to address organisational and management issues and related affairs, overall service delivery, study of revenue potentials and revenue collection efficiency.

Political parties

The political parties do not have a formal stake in the district planning process, but they play the key 'behind-the-scene' role in overall governance affairs. Political parties nominate candidates in the local election, and the candidates, after winning the election are supposed to implement the party manifesto. The parties are invited to the District Council's opening ceremony where they have the opportunity to give their remarks and articulate ideas. The parties are actively involved in preparing the District Periodic Plan (DPP), the medium-term development plan of the district.

Production groups and cooperatives

The total number of milk production groups and cooperatives in Kavre are about 400, including more than 20 women-led groups and cooperatives. Other categories include farmers' cooperatives, different production-based cooperatives, community forestry groups and others (table 68). Some of these have district-level networks with strong lobbying mechanisms. Therefore these growing institutions are very influential in the district planning process.

Table 68: Registered cooperatives, Kavre, 2004

Types	No.
- Milk production groups/cooperatives	214
- Vegetable producing cooperatives	11
- Consumer cooperatives	8
- Multipurpose cooperatives	76
- Saving and credit cooperatives	84
- Agro-forestry cooperative	1
Total	394

Source: DDC Kavre, 2004

Donor's community

The donors who are actively involved in the district are also equally influential in the district planning process. There are many programmes and projects implemented with the support of bi-lateral and multi-lateral donors (table 69).

Table 69: Donor supported programmes and projects, Kavre, 2003

S. N.	Programme and project	Main objective	Approach	Lead donor
1.	Participatory District Development Programme (PDDP), now DLGSP *(28 VDCs)*	Strengthening the planning and management capacity of DDC *(Starting year 1996)*	Support in institutionalising data-based participatory planning and village development through social mobilization	UNDP, Norway
2.	Decentralised Financing and Development Programme (DFDP) *(All VDCs)*	Support for small infrastructure development projects *(Starting year 2001)*	Support for district and village plans through local governments in socially mobilized VDCs.	UNCDF, DFID
3.	Rural Energy Dev't Programme (REDP) *(13 VDCs)*	Help to improve livelihoods through energy focused projects *(Starting year 1998)*	Social mobilization	UNDP/ WB
4.	Decentralised Action for Children and Women (DACAW) *(15 VDCs)*	Improve the health and education of children and women *(Starting year 1998)*	Social mobilization	UNICEF
5.	Community Environmental Awareness and Management Project (CEAMP) *(5 VDCs)*	Strengthening environmental considerations in local planning and programming *(Starting year 2003)*	Community development approach focused at grass-roots level	CIDA
6.	School and Community Health Project *(15 VDCs)*	Improve health status of school children *(Starting year 1992)*	Community awareness	JICA
7.	District Road Support Programme (DRSP) *(Rural areas)*	Support for rural road construction *(Starting year 1999)*	Support for rural road construction	SDC/ Swiss
8.	Rural Community Infrastructure Works (RCIW) *(34 VDCs)*	Support for community infrastructure – rural roads and community buildings *(Starting year 1996-97)*	Labour intensive 'food for work'	HMG/N, WFP, DFID, GTZ

S. N.	Programme and project	Main objective	Approach	Lead donor
9.	Rural Infrastructure Development Programme (RIDP) *(Southern VDCs)*	Rural road connecting southern remotest VDCs and community building construction *(Starting year 1997-98)*	Labour intensive approach	ADB (loan support)

Source: DDC Kavre, 2003

INGOs and NGOs

There are many INGOs and NGOs which have been actively working in different VDCs and Municipalities. However, most of them do not coordinate or collaborate with the DDC. They implement their projects directly at local level. Very few of them have been working in close collaboration with the DDC. These include Adra Nepal, ICIMOD, Love Green Nepal, NGO Federation, NGO Coordination Council (NGOCC), Adarsha Bal Bikas Kendra (a NGO working for mentally-retarded children), Rural Social Welfare Association (RSWA) Orthopaedic Hospital for Children, Nepal Red-Cross Society, Deaf Association, Civic Nepal, Didi-Bahini and some others (DDC 2003: 84-91 and DDC 2004).

The DDC has recently established an NGO Desk to coordinate and facilitate NGO activities. The number of NGOs coming into contact has been increasing since its establishment.

Higher education institutions

The urban centres in Kavre district are gradually growing as a part of the Kathmandu Valley following the urbanization process of the Valley. There is the prestigious Kathmandu University (recently established in Kavre) and other educational institutions of international standard, which have a strong stake in the district planning process. Some educational institutions are represented in the Health and Social Development Planning Committee of the DDC.

Private sector

As the district is a tourist destination, it is known for its high-level investment in the transport sector since the construction of Arniko highway (1960s) connecting it to Tibet. Private entrepreneurs also influence the district planning and development processes. The most influential private sector organisations in the district are the Hotel Association Nepal (HAN), Association of Transporters, and District Chamber of Industry and Commerce (DCIC). The DCIC is one of the members of the Industry, Forestry and Environment Planning Committee.

Figure 33 shows the complex network of stakeholders and interest groups in the district.

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Figure 33: A complex network of stakeholders, Kavre, 2002/2003
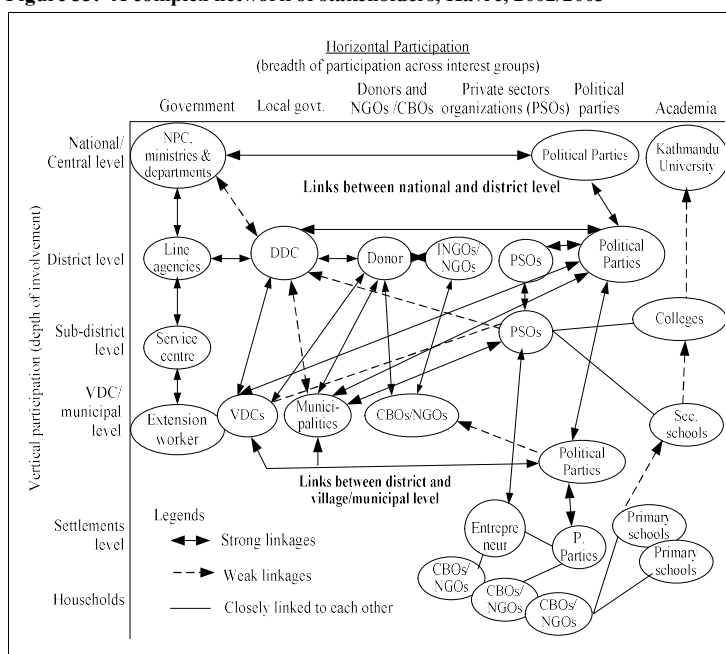
Source: Author's construct (participant observation and documentary review, 2002-2003)

8.2   The district's long term vision, principles, plans and programmes

Long-term vision and guiding principles

The district has its well-defined long-term vision and guiding principles spelt out in the District Periodic Plan (2000/2001-2006/2007). "A cultured and prosperous Ka-vre-Palanchowk" is the broad vision of the district. The lead sectors emphasized in the District Periodic Plan are: health, education, environment, and agriculture and tourism development (DDC 2000a: 14-16). The guiding principles are given in table 70.

Table 70:   Guiding principles of Kavre district, 2000

Principle	Description
Sustainability	For achieving self-sustained development, the periodic plan will look beyond the physical targets to equitable institutional development so that the local institutions can sustain the outcomes of the programmes. The implementing agencies will also apply suitable and appropriate technology for environmental management.
Participatory approach	The periodic plan implementation will focus on people themselves as the prime movers and beneficiaries of the development process. In this respect, the implementers will give emphasis to the enhancement of human and institutional resources of the district. The DDC will support activities that ensure active participation of target groups and partnership in planning, implementing and monitoring of programmes.
Gender equity	The periodic plans must create an enabling environment for the increased participation and bargaining power of women of different castes and class and other non-upper caste people in all activities. This has to be ensured especially at the decision-making levels of community organisations, and line agencies. Programme design, implementation and evaluation have to be responsive to the gender issues simultaneously.
Good governance	While implementing the periodic plans and programmes, implementers must abide by the following elements of good governance. - Accountability of government officials and peoples' representatives, - Transparency in the programming, procedures and investments, - Free flow of information about programme, process and achievements, and - Rule of law whereby the government and civil society are subject to follow rules and regulation which are clear and well understood by the people.
Decentralisation	In this regard, the implementing partners: line agencies, VDCs, Municipalities, NGOs, users groups, private sector and other development agencies will be encouraged to participate in planning and authority will be given to implement programmes.
Human Rights	Programmes of periodic plans will be implemented without biases and without any discrimination between rich and poor, male and female, higher and lower castes. Impact of the development activities will be distributed fairly to all the segments of people.

Source: DDC Kavre, 2000a: 14-16

Long-term and medium term plans and programmes

District Periodic Plan (medium term plan)

The District Development Committee, Kavre had prepared a 6-year (2000/2001-2006/2007) plan as its first medium-term plan. It is an integrated plan that was prepared through a participatory approach involving all key stakeholders in the planning process. The plan had gone into implementation from the second week of July, 2000 and the DDC has been carrying out the mid-term review in the year 2004.

The District Development Plan (DDP): annual district plan

The DDC has to prepare an integrated set of plans and programmes on an annual basis called the District Development Plan (DDP). The DDP includes sectoral plans and programmes of all line agencies, programmes undertaken with the financial support of the MLD, the plans and programmes financed by the DDC's own internal resources, and donor supported programmes. It is assumed that the annual DDP should serve as a tool in achieving goals and objectives set in the District Periodic Plan (DPP).

8.3   District development planning: bottom-up participation

This section analyses how the bottom-up participation is put into actual planning practices. Principally, the planning process at the grassroots level (village level) has to be inclusive enough to all key stakeholders and has to follow a consensus-based decision-making approach. There are 14 well-defined steps in bottom-up planning processes, starting from the settlement level public meeting in the village, to the district level, and eventually linking with the central level (appendix 5).

Participatory district planning

The district plan is prepared annually through a participatory process in a territorial setting and principally with regional perspectives. It is a bottom-up process. One step builds the ground for the next step above. And ultimately it is the District Council, the legislative body of local government at the district level, which approves the district plans and programmes and formulates district policies.

The LSGA (1999: 157) directs the following aspects to be taken as a basis for formulating the annual plan at district level.
–   Directives received from the NPC and concerned ministry on national development policy.
–   District-level policies and goals set on the basis of national goals and policy.
–   Overall necessities indicated by periodic plans.
–   Plans received from VDCs and Municipalities.

The participatory district planning process starts with the preparatory or pre-planning workshop at the district level (step 3, see below and appendix 5 for details), in which planning policies, instructions and budget estimates for the next fiscal year given by the central level authorities (MLD, NPC and sectoral ministries and departments) are discussed and clarified. The DDC officials (both political and professional), VDC officials (Chairmen, Vice Chairmen and Secretary), chief of all sectoral line agencies and representatives of NGOs participate in the workshops.

Step 1: Providing general guidance, planning directives and budget estimation (ceiling) for the next fiscal year by central level planning authorities (MLD, sectoral ministries and NPC)

Timeframe: By mid-November, each year.

Step 2: Review of guidelines, planning directives and budget estimation (ceiling) by DDC elected officials, chief of sectoral line agencies.

Timeframe: By the third week of November, each year.

Step 3: Planning workshop at the district level to disseminate information: policies, budget ceiling, planning instruction, etc.

Participants: DDC officials, chief of sectoral line agencies, representatives of district level financial institutions, representatives of District Chamber of Commerce and Industry, representatives of NGOs, Chairmen and Vice Chairmen of all VDCs and VDC Secretaries.

Timeframe: By the end of November, each year.

After completing the preparatory phase (step one to three), the village-level planning process starts at step four and ends at step eight.[10] Community based organisations (CBOs) which bridge households and local government units at the grassroots level (i.e. VDC) are placed at the centre of local planning and implementation processes, particularly at the village level.

Step 9 is the starting point of participatory district planning exercise which is illustrated in figure 34 and discussed in detail in chapter 8.3.

Figure 34: Participatory district planning process
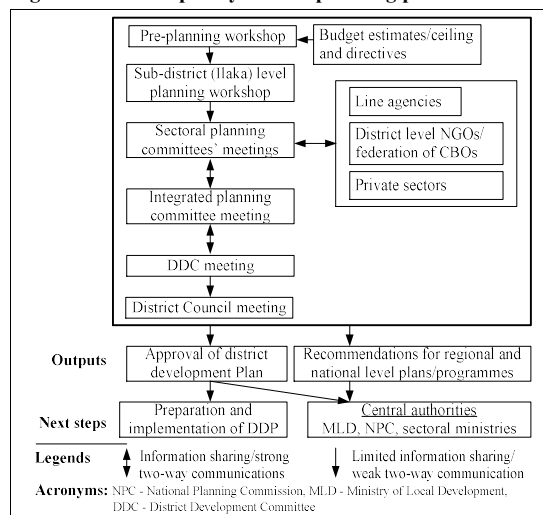
Source: Adapted from the LSGA, 1999

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[10] Village level planning is not discussed in detail in this book as the focus of the study is the district level.

Role of sectoral line agencies

In the context of resources, accountability, power, institutional history, as Flyvbjerg (1998: 42) notes: "these factors generate a fundamental difference between sectoral planning and city planning, with the latter being often less directly action-oriented and more complex, 'slower off the mark,' and more unpredictable than the former."

Line agencies hold a great stake in overall development activities in the district in terms of a deserving pool of good technical expertise with a significant budget. The role of the line agencies is crucial for the development of the district in a successful manner.

Line agencies, however, are reluctant to join the participatory planning process and are not very loyal to the local governments. The central cause of such reluctant behaviour has been attributed to the accountability mechanisms. Line agencies are neither accountable to local people nor to the local government. They are vertically accountable to their respective departments and ministries. There is no effective reward and punishment system associated with their work performance.

Assuredly enough, the involvement of the line agencies in district planning only floats on the surface. Most line ministries and departments have their own centralised planning practices that are parallel to the participatory district planning process. The NPC discouraged such parallel department-based planning practices a few years back. However, these planning practices still exist informally, if not formally.

A research participant raised a very crucial query in an ironic tone during the participatory planning process. He noted: "Central level officials teach and remind us several times that as the people's representative we have to be accountable to the local people. They ask us to go to the village and formulate plans following the participatory method and better address the local needs. But at the same time, central level officials get busy in preparing plans at the central level parallel to our participatory exercises. The line agencies impose their own interests. They don't provide us a budget estimate (ceiling) on time which could better facilitate the planning process. To whom are they accountable to and how do they maintain their accountability?" (observation 2002).

This statement represents the feelings of political representatives working at VDC, Municipal and DDC levels.

Decision making process: conflicts between rationality and power

Sectoral planning committee level

Based on the number of participants attending the meeting, the Physical Infrastructure Development Committee seems to be more attractive to the political representatives than other committees followed by the Agriculture Planning Committee. The Industry, Forestry and Environment Committee is less attractive to the elected political representatives and other stakeholders. A summary of the sectoral planning meeting is given in table 71.

Table 71:   Sectoral planning committee meetings, 2002/2003

Sector planning committee	Total numbers of participants attending meeting	No. of meetings in the year 2002-2003
Physical Infrastructure Development	20	3
Agriculture Development	11	1
Industry, Forestry and Environment	7	1
Health and Social Development	9	1

Source: DDC Kavre , 2004b

Physical Infrastructure Development Committee meeting took place three times within two weeks before the District Council's meeting, while other committees met only once. Most DDC members were very concerned about the meeting of this Committee, which was the most concerning for almost all of them. The number of participants in this committee meeting is nearly double than that of other planning committee meetings. There were a lot of power games, both before and during the meetings to lobby for the projects of their choice.

There are some role conflicts in sectoral planning committees such as the 'Agriculture Development' and 'District Agriculture Development Implementation Committee' which is chaired by the DDC President. As provisioned in the Agriculture Perspective Plan (APP), the second committee (chaired by the DDC President) is for coordinating multi-sub/sectoral activities relating to agriculture (such as irrigation, livestock, and others) and facilitating implementation activities. However, this committee is also working as a Sectoral Planning Committee. There are instances of serious of overlapping and duplications of jobs between these two similar committees. In the District Agriculture Development Implementation Committee meeting, most of the agendas and decisions are related to project selection (small irrigation, landslide control, agriculture, river training, etc.), prioritisation and amendments, while not being specific on implementation problems.

The Integrated Plan Formulation Committee (IPFC)

The primary objective of organising the IPFC meeting is to synchronize sectoral plans and programmes approved by different sectoral planning committees to establish synergy between different sectoral plans and programmes. In addition to this, the committee has to prioritise programmes/projects and integrate them into a "standalone" District Plan.

There are two different situations presented and discussed here relating to the activities and outputs of the IPFC meeting. The first situation is the meeting with elected political representatives, which include the planning activities of 2002 to be implemented in the year 2003/2004. The second situation is the meeting in absence of the elected political representatives, which includes the planning activities for the year 2004/2005. Table 72 shows number of meetings organised before the District Council meeting and their outcomes.

Table 72: Description of IPFC meetings (2002-2003)

Date	Participants	No	Details of participants
24 January, 2002	DDC President (Chair)	1	
	DDC members	13	
	Line agencies	4	Forestry, agriculture, women development, livestock
	DDC officials	6	LDO, Advisors, Programme Officers, Planning Officers
	Total	24	
30 January, 2002	DDC Vice President	1	
	DDC members	14	
	Line agencies	2	Forestry and cottage industry
	DDC officials	6	LDO, Planning and Programme Officers
	Total	23	
28 February, 2003	DDC Chair Person cum LDO (temporary arrangement)	1	The tenure of elected political representatives was ended on the second week of July 2002. Then as a temporary arrangement, a DDC committee was formulated under the Chair of the LDO.
	DDC members (nominated bureaucrats by the government)	4	Chief Agriculture Officer, District. Education Officer, Women Development Officer and District Engineer.
	Line agencies	3	
	Invitees: DDC officials	3	Planning Officer, Programme Officers
	Total	11	

Source: DDC Kavre, 2004b

Table 72 also shows that the number of participants in the first and second meeting were 24 and 23, respectively. These meetings involved elected political representatives of the DDC. However, in the next year's meeting (28 February, 2003) the number of participants was eleven. This meeting was chaired by the LDO in the capacity of the DDC Chairperson in the absence of elected political representatives.

Planning outcome with elected political representatives

The meeting of the IPFC held in February 2002 was longer. However, most of the time was spent discussing new projects proposed by the DDC members to be added to the district plan. After a long discussion, it was agreed that a number of new projects would be added to different sectoral plans and programmes (table 73).

Table 73:   Summary of decisions of Integrated Plan Formulation Committee (with elected officials, 2002)

Changes made during the meeting	Sectoral category	Description (No. of projects/VDCs/amount)
New projects added	- Rural road - Health - FM radio/ communication	3 projects 1 project 1 project
Site changes	- Alignment of rural road	1 project
Budget changes/ redistribution	- Rural electrification - Distribution of dev't grant	49 VDCs Matching fund – 9 (for different projects)
Priority changes	- None	None
Additional VDCs added in different programme coverage, but without increasing additional budget	- Poverty reduction - Rural electrification - Micro-hydro feasibility study - Support for toilet construction with bio-gas connection - Rain water collection	2 VDCs were added in addition to the number of VDCs pro-posed (12) 10 additional VDCs 4 additional VDCs All VDCs which have already requested were added to the list 1 VDC added
New recommenda-tion made to request of central level or other agencies	- Rural electrification (cost sharing) - New health post establishments	2 VDCs
Budget allocation authority delegated to the DDC.	- Lump sum	It created a liability for the future (revenue from royalty)
Synchronization of project	- Road construction	1 project
No long discussion carried out and no changes made	- Agriculture, forestry and environment	

Source: DDC Kavre, 2004b

Table 73 shows that two IPFC meetings (January, 2002) ended with a long series of new proposals and significant modifications made in the decisions of sectoral planning committees except in the Agriculture, Forestry and Environment. It shows that:

– These meetings were not able to focus on their objectives and thus were less effective to achieve expected outcomes as envisioned by the law (LSGA).
– The Committee underestimated the spirit and intelligence of bottom-up participation.
– These exercises overstepped the basic planning principles without considering available resources, equity and social concerns, database (GIS, poverty mapping, situation analysis reports, etc.), insofar as all proposals were put on the programme list based on political influence and bargaining capacity of the DDC members.
– No reason was given as to why some projects were added and some rejected or changed. It was a very non-transparent planning exercise. The outcomes of the meeting were highly 'politically biased' rather than rational planning outcomes.
– The felt needs of people and the proposals collected through *Ilaka* planning workshop based on the requests of the VDCs and municipalities were, however, either significantly modified or replaced in the planning committees. Thus the essence and spirit of the participatory planning process were distorted.
– No criteria-based prioritization took place during the exercise whereas the LSGA (1999: 160) clearly outlines priority-driven criteria (table 74).

Table 74:   Project prioritization criteria as provisioned in the LSGA, 1999

Description
- Projects should ensure direct benefit like employment and income
- Project should contribute to increase agricultural produce
- Should be implemented through local means, resources, skills and capacity
- Should contribute to protect and promote the environment
- It should be income generating and skill oriented programme for the backward and down-trodden tribes, communities and women and children

Source: The LSGA, 1999

The key determinants of such planning decisions are power, network and political influences. In these respects, the voices of the remote VDCs are not heard at all and the elements of advocacy are missing in relative terms. The DDC members focus on and bargain for the benefit of their own constituency, which is a normal behaviour in the constituency-based DDC structure. Consequently, the district plans loose district or regional level perspectives. This is one of the complex problems of district planning associated with the structure.

The constituency model, indeed, exists in many countries and is considered to be a relatively better mechanism to maintain the accountability of elected leaders. The earnest efforts of the DDC members to maintain the accountability towards their constituents strengthens local democracy. Another series of complex questions, however, is related to the equity issues: Do their efforts consider poverty or equity?

The answer is obviously no. The demands forwarded from the grassroots through extensive participatory planning exercise are largely ignored while political as well as vested interest projects are pushed through much against the spirit and the principles of participatory planning. The entire process shows that planning activities in the district are carried out to fulfil the legal provisions in a way that can also serve the vested interests of limited pressure groups.

Planning outcome in the absence of elected political representatives

Table 75 shows the summary of decisions of the IPFC meeting in the absence of elected political officials in the DDC (after mid-July, 2002).

Table 75: **Summary of decisions of Integrated Plan Formulation Committee (without elected officials, March 2003)**

Description of changes	Sectoral category	Description (No. of projects/locations, amount, etc.)
New projects added in the plan – none	All proposals approved as presented by Sectoral Planning Committees	All proposals approved as presented by Sectoral Planning Committees
Site changes – none	,,	,,
Budget changes/ redistribution – none	,,	,,
Priority changes/removal – none	,,	,,
Additional VDCs added or location changes – none	,,	,,
New recommendations made to request of central level or other agencies – none	,,	,,
Budget allocation authority delegation to the DDC – none	,,	,,
Synchronization – none	,,	,,
No long discussion-no changes		

Source: DDC Kavre, 2004b

As illustrated in table 75, the IPFC consisted of bureaucrats in absence of the elected political representatives. It is obvious that the IPFC approved all plans and programmes recommended by the Sectoral Planning Committees and forwarded them to the DDC meeting.

The comparison of two tables (table 73 and 75) may give the impression that the DDC led by bureaucrats under provisional arrangement (in absence of elected officials) seems to be more organised and efficient enough, but this is not true. In fact, there was no serious or long discussion in the IPFC meeting. The meeting ended with some decisions endorsing all proposals presented by the Sectoral Planning Committees. The procedure of the meeting clearly shows that it was organized to fulfil the legal formalities. The members of the Committee were not advocating on

the behalf of the people. Thus it is a clear case of people becoming impervious to representation and accountability.

The District Development Committee, Kavre

The role of the DDC in drawing up the district plan is crucial in the given context of the huge membership structure of the District Council. Therefore, the DDC needs to sort out all ambiguities and take all the decisions related to projects and programmes, budget allocation, revenue proposals and setting district policies. These activities take place in an extensive way in different stages, including a series of formal and informal meetings and finally, of course, the DDC meeting. The DDC meeting formalizes all informal exercises and prepares a set of documents: the District Development Plan (DPP).

Meanwhile as discussed above, the central concern of the district planning exercise is centred on the question of how to deal with and rationalize different interests. The entire planning exercises are the process of trade-off or negotiations and power playing around the powerful players of district planning.

Kavre DDC is considered relatively well-equipped in terms of a considerable database (GIS system, poverty mapping, resource mapping, and district profile) and planning frameworks (periodic plan with long-term vision, goal and development principles). However, these planning frameworks, tools and techniques serve as decorative documents for formal and popular discussions. This has been proved every year with similar stereotypical planning exercises in the face of power, personal and political interests.

There were very few concerns in the discussion about 'how to increase the revenue' of the district so that an increasing number of projects can be implemented. While it was the concerned officials and the LDO who raised these issues, very few DDC members paid any attention. These revenue issues were not properly taken into consideration in the discussion. By tradition, every year a Budget Preparation Committee is formed before the District Council meeting, which is responsible for working out budgetary issues. This is a very *ad hoc* arrangement as the committee does not have any expertise in doing such exercises while their concerns are restricted to finding quick solutions to finance projects of their interests first. The members of the budget committee try to influence the planning committee with greater stake so that the members of the Budget Preparation Committee can include the projects of their interests in the district plan. A tentative revenue plan is prepared based on a pessimistic trend. No further exploration takes place at the budget committee level.

The District Council (DC)

Table 76 includes part of the speech of the DDC President which he delivered while presenting the District Development Plan (DPP) and budget proposals during the District Council meeting held on February 20, 2002.

Table 76:   Extracts of the DDC President's speech

Friends of the Council,

"[…] As Chairman of the District Development Committee (DDC), I express my profound gratitude for the opportunity given to me to present the progress report of Kavre district in the District Council and also for allowing me to present the revised budget and projected income and expenditure for the year 2001-2002.

[…] The programmes and plans for the development of the district are formulated by determining the priorities from the lowest level, which is done on the basis of needs, participation, utility and cost effectiveness. […] In formulating development programmes and in allocating resources and distribution of achievement, we have followed the policy of targeting equal opportunity for men and women, children, the handicapped and the under-privileged sections of society. […]"

Thank You!

20 February, 2002

Source: DDC Kavre, 2002

The address note of the President clearly presents the principles of participatory district planning, its procedures followed during the preparation and the summary of financial proposals.

Table 77 summarises the District Council meetings held in the years: 1999, 2000, 2001, and 2002.

Table 77:   A summary of District Council meetings (1999-2002)

Council meeting date and description (Total District Council members: 206)

March 1999 – 7th District Council meeting held after restoration of democracy in 1990 to approve the district plan of the year 1999-2000.

[Duration: two days, participants 179 (87%)]

First day – Inauguration and closed session: agreement on discussion methods for second day.

Second day – Discussion in closed session and decisions.

Outcomes of the meeting

1. Approval of all proposals (plans and programmes) presented by the DDC/ unanimous decision.

2. Recommendation/requests to central level to support nine different projects and other matters including renaming VDC, health centre establishment -2, river trainings –2, land slide control-1, sewage-1, VHF telephone set-1, declaration of tourism area-1, Buddhist monastery construction-1)

3. Few miscellaneous decisions.

Council meeting date and description (Total District Council members: 206)

March 2000 – 8th District Council meeting to approve the district plan of the year 2000-2001.

[Duration: two days, participants 185 (90%)]

First day – Inauguration and closed session: presentation of proposed district plans and brief discussion.

Second day – Discussion in closed session and decisions.

Outcomes of the meeting

1. Amendment of 2 project sites (irrigation –1, rural road-1) and approval of district plan as presented by the DDC.

2. Recommendation/requests of central level for support for 10 projects (Rural electrification-2, bridge construction-1, rural roads-3, irrigation-1, tourism area declaration –1 (pending demand), suspension bridge-1, health post establishment-1).

3. Administrative and miscellaneous decisions.

February 2001– 9th District Council meeting to approve the district plan of the year 2001-2002.

[Duration: two days, participants 173 (84%)]

First day – Inauguration and closed session: brief presentation of proposed district plan by the chairs of sectoral planning committees (4).

Second day – Discussion on closed session and decisions

Outcomes of the meeting

1. Approval of all plans and programmes presented by the DDC/unanimous decision

2. Recommendation/requests of central level to support a small additional number of projects

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February 2002 – 10th District Council meeting to approve the district plan of the year 2002-2003.

[Duration: two days, participants 166 (81%)]

First day – Inauguration and closed session: brief presentation of proposed district plan by the chairs of sectoral planning committees (4).

Second day – Discussion on closed session and decisions.

Outcomes of the meeting

1. Approval of all planning proposals/unanimous decision.
2. Collection of proposals from different Councillors (15 VDC Chairs and 2 nominated members).
3. Recommendation/requests of central level to support few projects.

Source: DDC Kavre, 2000-2002, 2003a

The overall rate of participants attending the District Council meeting is very high in all four year's meetings (81 to 90 percent), which show the higher level of interest.

Table 77 gives the impression that the district plan is approved every year unanimously with very few and or almost no comments. In this sense, the plan seems to be unanimously agreed upon as an outcome of the nearly perfect planning exercise. However, this is not all true. The main reason behind it is the time constraint for discussion in the meeting. The numbers of District Council members are nearly 200 excluding DDC key officials and the chief of the line agencies. It is an extremely heterogeneous group having different levels of understanding in planning and development.

Each member gets a copy of the proposed district plan on the first day of the meeting, which consists of more than 150 pages. As shown in table 77, the available time, however, for discussion in the meeting is only one day (7-9 working hours). Reading such a huge planning document in a very short time is nearly impossible. Most District Council members are clueless and every member's personal as well territorial interests dominate the meeting, both formally and informally.

The meeting is not structured enough for it to be an interactive affair. Most time is spent on venting grievances rather than concentrating on the specific planning agendas. Sectoral plans and programmes are more technical, complex and hence are conventionally prepared. This rules out chances of the Councillors understanding the same. If there are questions, sectoral officials deliberately keep silent or respond by giving limited information to rule out controversial debates (observations 2002 and interviews 2004).

8.4   Power dimensions and the role of planners and key officials

The role of planners and development professionals

The planners and professional staff of the DDC keep themselves quiet and play the role of the 'silent observers' during the District Council meeting. In one such meeting held in 2002 few officials tried to rationalize the discussion in favour of remote areas by presenting some facts and figures. However, no one was in the mood to listen to them, even as they negotiated for what they wanted. One official expressed his frustration: "Who listens to us?" The fact that his point of view was not considered by anyone reminds of Flyvbjerg (1998: 229) who said: "the greater the power, the less the rationality."

The chiefs of the line agencies tend to keep silent for two reasons. First, they want to avoid being caught up in any controversy. Second, they have the 'unseen' liberty to adjust their plans and programmes at the departmental level if they want to make any changes.

In fact, there are several possible reasons for planners remaining as 'silent observers' in the final decision-making process (exploratory interview 2004). First, they have been doing such jobs for the last couple of years. The point is they try to please politicians in power by proposing development activities in their specific areas/constituencies at the cost of other low-voiced areas. Second, pleasing the political leaders and vested interests groups is considered quite normal by them since this is something which they see all too often. Some line agencies and planners feel that

these manipulations are part of the real planning exercise in a multi-party context. According to them, politicians are people's representatives and hence deserve the right to decide whatever they prefer on behalf of the people. Third, bureaucrats, who belong to central level public service (line agencies staff in particular), are accountable to their concerned departments (upward accountability). These officials cannot be believed to be harbouring any moral obligations or accountability towards local government and local people (downward accountability). Planners and development workers, however, have moral obligations to work in favour of the poor, the socially and economically disadvantaged. They need to maintain minimum planning principles or ethics. These are however, almost forgotten in the face of political power, vested interests and other influences during the planning process. The fourth possible reason is that planners like to complete the planning exercise within the time frame prescribed by law, which is part of their responsibilities. Completing the planning exercise within the stipulated timeframe is more important than the product itself.

DDC Vice President's roles and responsibilities

The Vice President of the DDC does not have any significant role or responsibilities assigned under the LSGA. The following are the functions, roles and responsibilities outlined under LSGA, Clause 192:
– to act as the acting DDC President in the absence of the DDC President, and
– to carry out and tell others to carry out the prescribed functions.

In the case district, the DDC President delegated some administrative functions to the DDC Vice President. However, in the District Council meeting his role was not very different from the other elected officials.

DDC President's roles and responsibilities

The DDC President is the executive chief of the DDC, the district level local government. He has the following functions, roles and responsibilities assigned under the LSGA, Clause 191.
– to issue directives to the Secretary (LDO) to convene the meeting of the DDC.
– to submit or tell others to submit reports and proposals at the meeting of the District Council and the DDC.
– to make necessary arrangements to prepare budgets and programmes of the DDC.
– to get progress reports and ensure that decisions of the District Council and the DDC have been respected while implementing development activities and policy decisions.
– to allocate the subject-wise functions to the Vice President and members and monitor and coordinate the district level programmes.
– to make necessary recommendations on behalf of the DDC.
– to inspect and coordinate the VDCs under the district development area.

The DDC President's role: differences between official personality and practice

As evident in the presentation speech (see table 76), the district plan is prepared in a perfectly participatory manner. Proper attention is paid to the need to reduce poverty, follow the decentralisation principles and ensure an inclusive approach.

The law considers the role of the DDC President as more politically charged even as he/she plays the role of a development leader. But the President does not have the strong executive power to shoulder responsibilities effectively. More executive responsibilities lie on the DDC team. Joint responsibility and accountability are not easy to ensure amid a diverse political, individual and bureaucratic play of interests. Most of the efforts of the DDC President focus around the negotiation process. Similarly, this is true in the case of VDCs and municipalities. The executive heads of local bodies are often compelled to please the members rather than concentrate on broader roles and responsibilities. Hence, the issue is how to make local governments functional, effective and efficient.

It is indeed the executive chief who has to negotiate amid all types of interests and power games played out in what is identified as a 'black box exercise.' However, the executive chief is made responsible for the effective functioning of the local government. Rationalization of the activities taking place in the district planning process is part of his/her job. While the DDC President, without any exception, clearly does his job, there are wide gaps between what is formally said and what is done in reality.

At a personal level, the DDC President of Kavre was considered well-known person in establishing the system and procedures in the DDC at that time. There were insignificant disagreements in the policies and almost all of the DDC's decisions were made unanimously. However, the DDC President's significant amount of time was dedicated to convincing and negotiating processes in the face of different vested interests and political power. He was considered one of the successful DDC Presidents and also an expert on application aspects of the decentralisation concept, though it cannot be surmised why he was not effective enough to value rational power, address equity concerns and institutionalize participatory planning effectively. Assuredly enough, he was bound by fuzzy legal mandates and by his own strict centralised party discipline having 'overt' (party manifesto) and 'covert' (hidden agendas) political interests. Thus he was in the middle of diverse political and individual interests represented by the DDC members and other partners. Moreover, he himself might have his own political interests for the people of his constituency and for a possible political career. It shows that even a qualified and capable leader can be less effective in delivering results in the face of power and structural problems. Another most important consideration in all stages of decision-making is the limited disposable resources at hand amid mounting needs, competition and resultant pressure. The situation, thus, creates pressure and subsequent tension in the decision making process.

Inferentially, how to evolve an inclusive political culture and a holistic vision for district development are the critical issues related to power and participation. Principally, bottom-up participation in planning can lead towards inclusiveness and broader democratic culture at the local level. However, the question again is how someone can render the participation in the planning process as effective in the face of power.

Political representatives as volunteer workers

The institutional image of local governments – the grassroots level in particular - has been changing from a social and volunteer organization to a more political and administrative organization. The position of elected officials is still voluntary in terms of financial compensation provided to them. The honorarium is provided but is so nominal that in no way can it be a source of livelihood for them (table 78).

Table 78: Honorarium to elected officials

Description	Monthly honorarium (NRs.)	Meeting allowances (NRs/meeting)
1. VDC Level		
- VDC Chair	1,500	100
- Vice Chair	1,000	100
- VDC Member	-	100
2. Municipal Level		To be determined by respective Municipal Council
Metropolitan City		
- Mayor	6,500	,,
- Deputy Mayor	5,500	,,
Sub-Metropolitan City		,,
- Mayor	5,500	,,
- Deputy Mayor	4,500	,,
Municipality		
- Mayor	4,500	,,
- Deputy Mayor	3,500	,,
3. DDC Level[11]		
- President	7,000	200
- Vice President	4,000	200
- VDC Member	2,000	200

Source: LSGR, 2000

Because of the centralised procedures at the district level, village and municipal level elected officials have to frequently visit district headquarters to attend meetings and facilitate their constituents, who are mostly illiterate. They even need to stay at district headquarters. The livelihood need of elected officials is one growing challenge for them. These political leaders either find some financial benefits from their clients or have to take up other means of livelihood such as working as contractors or traders (which is common in the district) or tap other avenues of income. Some may even go for undue benefits at times.

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[11] It includes house rent for residence, telephone, newspapers, and other allowances.

This is one of the reasons why people from poor families and the lower middle class cannot afford to be the elected representatives at any level of local governments. Basic education is not a requirement for candidacy even for MPs. But people from poor segments of the society are mostly illiterate and generally do not have courage to compete with those who are relatively educated and economically better off (rural elites). Those who become leaders and get elected from middle class families have to live with financial pressure apart from pressure emanating from their main responsibilities. This explains why the elite capture the decentralised level of governance.

The latter part of the last 12 years of the multi-party democratic system rendered politics a highly competitive (more in unhealthy aspects) and expensive avocation. Unhealthy competition and sharing of false expectations with people for gaining cheap popularity became more and more evident. Misuse of public funds, undue influence and influence-peddling for cash (by those who are in the ruling positions) also became common practices both at national and the local levels. More and more of this corresponded with more and more of the elite-centred politics. Few political leaders who were honest could not stay afloat, while some politicians, especially from urban areas, became richer and all the more influential at the central level of party politics (exploratory interview and FGD 2004).

8.5   Critical issues of participation and power dimensions in planning

Ideal conditions for participatory planning

The contemporary literature recommends the following ideal conditions for a participatory planning approach in order to be more productive and successful in its objectives (IDS 2004 2005, MN 2002):

- Sound and clear legal and policy frameworks which make it possible for civil society and government to interact, work together and to be self- regulative.
- Institutional frameworks which alone can be supportive to participatory planning.
- Orientation of local leaders to evolve them to be conducive to decentralisation and participatory approaches.
- Attitude of government staff, professional and extension workers should be evolved as supportive of the participatory approach.
- Mechanism of sharing information and maintaining transparency at the local level.
- Decisions made by the community and community groups should be respected by the public authorities.
- Consensus-based and inclusive decision-making processes adopted with proper representation of women, ethnic and disadvantaged groups contribute to the cause.

However, these conditions are very difficult to have everywhere; ideal conditions rarely do exist in reality. What is important is to kick-start adopting participatory approaches where possible and try to improve it.

Some positive impacts and learning of participatory planning

The impacts of participatory approaches are mixed and diverse in different areas in Kavre district. The impact is quite positive and encouraging in the socially mobilized communities where CBOs are quite active. In other areas, the impact is not very positive largely due to weak conceptual understanding and mishandling of the approaches. The following are some positive outcomes and learning of participatory planning process in the case district (exploratory interview and FGD 2003-2004).

– Participatory planning process at the local level enhances community initiatives in finding creative solutions to local problems.
– The level of ownership is very high in those development initiatives which follow more interactive discussions involving all key stakeholders in the planning process.
– Participatory planning approach is a very effective tool for mobilizing local resources, which ensures efficiency in development activities. It helps reduce the level of dependency of the community on public sector funds and thus may pave the way for local autonomy in the long run.
– When it is applied properly, it can be very instrumental in empowerment and the social mobilization process. In some areas of the district where social mobilization is effective, development activities at the local level are being carried out quite smoothly even in the present adverse conflict situation.
– Participatory planning strengthens the capacity of local communities and helps change the orientation of local government officials and front line development workers, if it is applied scientifically, and the participatory culture is adopted in the entire process.
– Finally, participatory planning, if not carried out properly, can easily degenerate into formalities and unproductive planning rituals. If the process is not inclusive enough of disadvantaged groups, it could create conflict in the community.

Critical issues and challenges

Over the years multi-stakeholders' involvement in local planning has been gradually replacing centralised and technocratic planning practices as a part of democratic values. Participatory planning is an effective approach to sharing power with stakeholders in a more responsible manner. It promotes democratic local governance.

Participatory planning is a recent paradigm shift from planning as a political exercise to a social interactive process which is embedded in the context of different sub-systems and socio-political structures. It is an effective means of ensuring involvement of people in local governance activities and thus promoting democracy at the local level. Thus in Nepal local planning has been recognised as an interactive political and social process since the late 1990s. In the context of practicing participatory district planning in the case district, there are a number of critical issues and challenges which are discussed in the following paragraphs.

Centralised mindset

Replacing the long-standing centralised attitude and culture is not an easy task. It is very demanding for participatory planning. That needs a strong political commit-

ment and consistent efforts towards empowerment, enhanced decentralisation and democratization.

Less use of planning tools and techniques

Many participatory tools are prescribed in planning guidelines and manuals to make the participatory planning process more effective and efficient. They include participatory rural appraisal (PRA), social and resource mapping, well-being ranking and poverty mapping among others.

While donor-supported projects and programmes mostly use these tools and techniques, the local governments themselves seldom use these participatory tools and techniques in their regular planning process. Local officials were found to be over-confident about the reality of the situation. They believed that they knew the situation while they tended to ignore the database and situation analysis. Thus subjective judgement and personal biases dominate the planning decisions at the local level. The DDC has a fairly well-equipped GIS facility and relatively well drawn database system. But the problem lies in its weak utilization during the planning process. There might be some indirect influence on decision-makers created by such a scientific database and GIS facility. However, in the regular annual planning exercise, these materials were found to be largely ignored.

Capacity of local government units: crucial to participatory planning

There are several reasons limiting the effective implementation of the participatory approaches in planning in the district. Among others, the limited capacity of local government units is a crucial issue. Successful implementation requires sufficient resources and commitment to enhance the capacities of local bodies in participatory approaches. This requires strengthening local bodies to enable them to be more accountable in discharging their responsibilities and better respond to the demands of their constituency for better services.

Participatory planning is understood as planning formalities by the key officials in the district. These officials (both elected and employees) do not have sufficient understanding of the participatory concepts and rationales of using these approaches, tools and techniques in district planning (exploratory interview 2004).

Representative constituency model and participatory planning: challenges in practice

To deal with the issue in practical terms, it is very difficult to enforce a truly participatory planning process within the framework of the newly established democratic local government system. The current constituency-based electoral system is relying on a representative model of democracy, which generates mandates and a popular power-base through the election. Participatory planning, in contrast, demands the sharing of power among stakeholders as a condition for a successful effort. Thus, participatory planning and representative democratic practices are found to be conflicting and competing in the practice and also prone to manipulation from key stakeholders who are involved in the decision-making process.

This demands more open-minded and collaborative leaders in local government units who respect the principle of power-sharing and also have the decentralised mentality. It is difficult to find this in new and vulnerable democracies like Nepal.

Growing conflict and security situation

The growing conflict caused by the Maoist insurgency has degraded the security situation in the district. The remote areas of the district which constitute almost half of the total area of the district are not accessible to the outsiders. This means that organizing any type of interactive meeting is not possible in these areas. Participatory planning workshops (*Ilaka*) have been organized either at district headquarters or in nearby urban centres (2003). These workshops are more formalities than true exercises in themselves as very few stakeholders take part.

The participatory planning: the changing dynamics

Figure 35 shows the changing dynamics of participatory planning at the village level. It was prepared based on the story shared by the village level political leaders and other officials (former VDC Chair and VDC Secretary) during the focus group discussion held in 2004. These issues were verified at another focus group discussion and found to be similar.

Figure 35: Participatory planning process: practice and changing dynamics
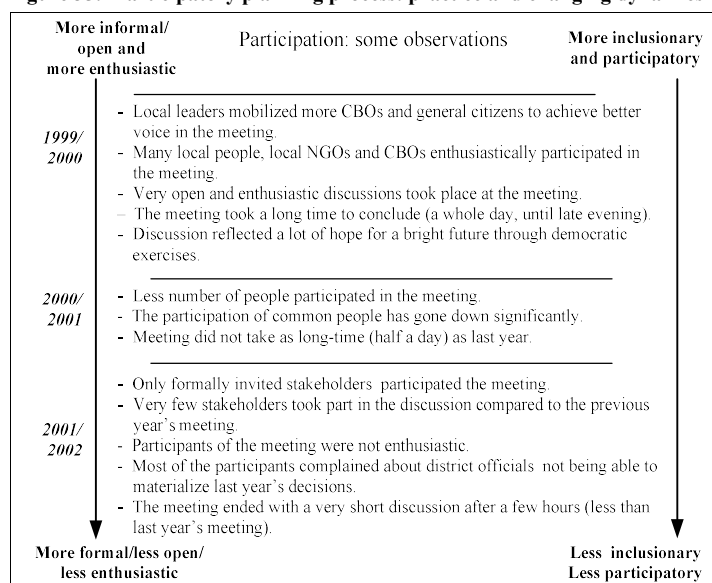
Source: *Focus group discussion, 2004*

Figure 35 shows the conceptually sound participatory planning is not expected to come up with positive results because of unclear conceptual understandings and mishandling of the approach. That is described below.

At the beginning of adopting the participatory approach in 1999, no responsible official was clear about the concept and methods of participatory planning. This was

the reason why the *Ilaka* (sub-district) level planning workshops were organized in a very ad hoc manner. They had no insight into basic information. What was not available was the budget, while the policy of the district was not very clear either. No planning tools and methods were introduced or exercised during the planning process. For instance, a planning workshop was organized as a 'mass speech programme,' and was not at all structured; in fact differing opinions were not even recorded properly. Project prioritization tools were not used to come up with a viable list of projects on a priority basis. Participants had the feeling that if they were not able to articulate their needs in the meeting, they might miss the opportunity to include their proposals in the district plan. There was a tendency to articulate all needs regardless of resource or priority (because neither resource nor priority was declared). Obviously, the workshop ended with a long shopping list of projects.

Fung (2004: 71) argues that the "main motivation for participation relies upon a trade of time for power and influence." Fung further describes and considers the following as the timeless dilemma when one talks about participatory devolution (ibid: 71):

– The difficulty of mobilizing citizens and conveying information about participatory opportunities and benefits;
– Assuring that participants have the skills and knowledge necessary to deliberate and solve public problems effectively;
– Assuring that participants have the commitment and determination to implement their decisions;
– The domination and exclusion of some groups due to inequalities of power and voice between groups of citizens or between citizens and officials;
– The high variation and inequality of outcomes that inevitably accompany decentralisation;
– Parochialism and consequent ineffectiveness in problem-solving; and
– The dependence of local actors on resources and organizations outside of their control.

Given the situation of the district (figure 35) and Fung's recommendations, mobilizing citizens enthusiastically was not a problem in the given context at the beginning (1999-2000). However, the level of participation gradually came down as the planning workshop became less inclusive, less participatory and more a formality when compared to the previous efforts.

Table 79 summarises the positive and negative impacts of participatory planning observed at the grassroots level. The negative impacts can be attributed to weak understanding and improper handling of participatory approaches. This was noticeable in the communities where CBOs, NGOs and other partners were not active (exploratory interview 2004).

Table 79:   Participatory planning process: some critical observations

Positive effects	Negative effects
This process tried to bring more and more stakeholders into the mainstream of the planning process as part of the democratic exercise. People understood that this was one of the features of local governance.	It was too lengthy, costly and cumbersome a process which did not motivate officials to convert it into regular planning exercises.
It created a lot of awareness, especially among middle class people in rural areas. As a result, people started considering that planning for their neighbourhood is their own democratic rights.	It raised expectations of people, especially in rural areas. Poor synchronization between District Periodic Plan and annual planning.
Planning has broken the monopoly of technocratic planners. It became a multi-disciplinary and more open exercise, more as a part of the political and democratic process. Participatory planning is not only limited to producing the plan document. It is an empowerment process that can produce more positive effects in society.	Every year's similar exercise 'asking people about their needs' has created frustration among the local people. It also developed a sense of mistrust towards district level development agencies, particularly towards the DDC and line agencies.
It forced extension worker and district level officials to listen to people's perspectives, recognize their know-how and their needs.	Too long a process that created disturbances in implementation of development activities.
Planners and development workers, who participated the planning process, got familiar with the reality and difficulties of local people, and realised their felt needs. At the beginning, most of the chiefs of line agencies took part in the *Ilaka* level workshops.	Due to a lower number of approvals and implementation of projects recommended by local stakeholders, planners and development workers who took part in and facilitated the planning process were heavily criticized by the local people. This explained why district officials gradually lost their credibility among the communities.
Projects selected through the participatory process have higher chances of succeeding in implementation than those decided upon by district or central authorities.	Failure to mobilize people's enthusiasm and voluntarism indirectly increased the degree of dependency of the community on the gov't agencies. Even small development activities were being referred to gov't institutions. Development became the business of government.

Source: Participant observation, 2002-2003 and focus group discussion, 2004

It was quite clear from the focus group discussions that people have a better understanding about the power plays, ability and inability of their VDC level leaders to influence the district level authorities (focus group discussion 2004).

Power and participation: conflicts between representative and pluralist models of democracy

There were two contrasting opinions related to participatory planning which came up in the course of exploratory interviews (2003-2004).

The first school of thought was that whenever a local government is formed through a democratic process with an explicit manifesto, the elected officials deserve the right to decide when it comes to implementing their manifesto. This opinion argues: election gives legitimate power to the elected representatives to decide on behalf of the people. According to this, no form of interference should limit these democratic practices. This school of thought believes that participatory planning is against the democratic practice as envisioned in the representative model of democracy and as provisioned in the Nepalese constitution. Under this opinion, participatory planning is introduced by the central-level government, limiting the power and autonomy of the democratically elected officials of local governments. The believers of this opinion think that the central level has been imposing bottom-up planning because the centre does not want local bodies to work as autonomous local governments using legal authority and wielding legitimate power. They believe that if the elected local representatives do not serve the people well, the people will use their sovereign power in the next election and thus reward or punish the leader. This school argues that sovereignty does not mean asking the people every time to decide the affairs related to them, which delays the decision and rules out efficiency of elected officials. The opinion outline above is very close to the 'representative governance model' as described by Healey (1997: 220-222).

The second school of thought is in favour of participatory planning. According to this, electing local representatives by the people does not mean that people have contracted out the local governance functions for five years. This opinion says that in a multi-party democracy, elections are fought based on the party's manifesto, which is a common practice. It should not be claimed that elected officials deserve the right to do everything based on their manifesto for five years. Election is not a mechanism to centralize power and to generate a monopoly situation. This school argues that laws, institutional and social norms, procedures and systems are to be followed by the elected people as they believe in the rule of law as an integral part of the democracy. Elected people can improve or strengthen the system but cannot replace everything in the governance. Moreover, participatory planning is a method of bringing all stakeholders together so that the benefits of decentralisation and democracy can reach all segments of the society in a transparent fashion. Involving local partners and general citizens in governance activities is a way of honouring people's sovereignty in a true manner. This opinion strongly holds that the participation of stakeholders in governance affairs does not limit the power of elected officials; rather it widens powerbases and promotes local democracy and democratic culture.

The confrontation between these two opinions is due to the conflicts between different governance models: the representative democracy model and the flexible

pluralist democracy model as discussed by Healey (1997: 220-224). The first model adopts a more 'hierarchical approach' which is absolute use of power on behalf of the people and the second one is more flexible and accommodative to address diverse interest in the changing situation. The second opinion (pluralist democracy) leans more towards the direction of a 'collaborative approach' to planning and governance.

The relations between rationality and power

If we compare above thoughts with Flyvbjerg's rationality and power as two dominant elements of governance, the first thought (representative model) is related to "power has a rationality that rationality does not know" (Flyvbjerg 1998: 225). In this case, 'rationality serves power.' The second thought is close to 'rationality generates power.' The entire discussion around district planning issues and decision-making processes are highly influenced by these two opinions and their conflicts.

IDS (2004: 2) presents these two governance ideas by linking them to citizen participation. "Citizen participation presents a whole new interpretation of notions of citizenship and governance. In the past, these meant citizens 'had to be governed'. As good citizens, people were expected to follow rules and fulfil certain obligations to other citizens and to 'those who governed.' Those who governed, in turn, had the duty to provide citizens with protection and assistance to help them solve problems and make their lives better." This is clearly the representative model of democracy, which, according to IDS does not consider citizens and other stakeholders as active partners of daily governance activities.

IDS further argues that "citizen participation suggests that citizens can govern themselves by influencing decision-making processes that affect their lives, their livelihoods, their communities, their environments and their societies. They have governments to rule them but not to rule them completely and not without question" (ibid: 2).

The role of political parties in local government activities

Political parties are the vehicles of democracy. They have great influence in shaping political, social and administrative culture at different levels. Therefore, their attitudes, behaviour and organizational culture are very important in the context of power-sharing through participation in governance activities.

Activities of political parties have raised political awareness tremendously since the 1990s in Nepal. However, internal democracy is very weak in most of the parties. Political parties have a much centralised structure. During the general and local elections, different parties nominate their candidates in much centralised manner.

In the local elections, the party which wins the decisive position (DDC President) and a majority of members in the DDC is deemed a successful party. The influence or interference in local government is greater when it is a single party which has won the majority of seats than under a scenario when the mandate is divided. No political party has any direct role in district government. However, they are very influential in the local government's activities at an informal level. Doing the balancing act at the local level is a critical challenge for the elected officials.

Moreover, the Members of Parliament (MPs) of the concerned district see the DDC President as their close competitor. The DDC President is closer to the people in his/her day-to-day activities. He/she exercises more authority and has power to mobilize resources which the MP, naturally, does not possess. This antagonistic relationship casts the following impacts in the district:

1. Some MPs play a dual role in line agencies' plans and programmes. The MPs use their political linkage and influences by making changes in line agencies' plans and programmes according to their political interests without informing the DDC. They manipulate at the central level through the NPC or the concerned ministry or departments.

2. The Ministry of Finance and the NPC consult the MPs during the budget preparation phase. This can be attributed to a scenario in which the support of the MPs is very crucial when it comes to approving the budget in the parliament. It gives sufficient ground to subordinate the decisions of the District Council.

Power and participation

There are too many concerns and issues related to power relations that influence the exercise of participatory planning at the local level (exploratory interviews and FGD 2003-2004). Generally speaking, the participatory approach to planning is an expensive exercise in terms of time and involvement of wider ranges of stakeholders, even as it involves significant financial resources. Participatory planning is an approach of sharing power with key stakeholders. If power is not shared in a true manner, the participatory planning process becomes a subordinate activity, a mere formality and a wasteful exercise.

When decision-making power is shared, then participatory planning provides a forum where popular forces can build rational power and new power dynamics as Flyvbjerg notes, "In the democratic society, rational argument is one of the few forms of power the powerless still possess" (Flyvbjerg 1998: 229). Thus people can feel empowered while negotiating agendas which can be shaped in the interests of local people through the rationalization of rationality power. This is a bottom-up approach of generating power from the community and influencing the local governance activities.

At the community level, CBOs, local NGOs, traditional community groups and trusts play catalytic roles in promoting local democracy by generating increased rationality power through the mechanism of participatory planning. This process helps collective power generation, accumulation and the scaling up of power to the decision levels. Political parties play important roles of creating democratic awareness in the community. However, their strengths in promoting democratic culture have been constrained by their own narrow-minded attitudes and centralised mentality.

Stakeholders' participation in local governance planning processes is more than just generating a district plan document. In fact, it is an integral part of functional local democracy. "Effective and inclusionary participatory planning exercises require careful thought on who participates and the mechanisms for and organizations/institutions through which participation is realized" (IDS 2004: 8).

Fung (2004) warns that the selection of participants is important, and who actually participates is critical. As with any scheme for civic engagement and direct democracy, success depends on the character of actual participation. The generation of fair and effective decisions and actions in accountable autonomy relies on the involvement and collaboration of ordinary citizens and street-level officials. Outcomes depend not only on the presence of citizens in the aggregate, but also on the representativeness of those who choose to participate. "The absence of citizens from poor neighbourhoods or minority groups, for example, would indicate serious systemic malaise" (Fung 2004: 28).

It is equally important that decentralisation should encourage local stakeholders to generate rationality power in favour of their needs and interests. People take initiative in local development activities if the activities are closely tied up with their economic, political and social needs. Therefore, local development is entwined with economic, political and social processes. Once the development process is embedded within local social and cultural factors that helps sharpen people's thinking and power thereby enabling them to participate and lead in the development process with a feeling of dignity. Social mobilisation and participatory planning are two key approaches adopted in Nepal in these respects. In addition, political decentralisation offers avenues of creating rationality power at local governance activities as provisioned in the LSGA.

The case study, however, shows that decentralised power might be absorbed by the intermediate level and that level might try to create power centres. Underestimating the aspiration of local stakeholders in the planning decision-making process is one piece of evidence in this case (see the decision making process in the earlier section of this chapter).

IDS (2004: 6) cautions the serious implications of the non-participatory approach in governance: "Societies cannot be considered truly democratic if their citizens feel powerless to express their concerns and to deal with their daily affairs. The point here is to make governments work for citizens democratically rather than against them. Participation allows these opportunities to happen and thus citizens directly and through local partners and governments are able to create spaces to work together and make democratic local governance functional. "[…] citizens are claiming their space as equal partners in development and governance and thereby make government responsive to their needs. Citizen participation allows them to negotiate with government and not simply accept the terms of development."

Participatory planning: issues in summary

The following is the summary extracted from the detailed discussions above:
1. Legal provisions are not considered seriously in selecting the projects and their prioritization process. There is no criteria-based scientific prioritization that takes place in the participatory planning process.
2. Planning rationality is bogged down by vested interests and political power in the planning exercise held at district level. Planners and development professionals are 'silent observers.' They are unable to articulate their knowledge and new skills in raising rationality power in the planning process. Most of them are lacking a positive attitude towards decentralisation and a moral feeling to support disadvantaged groups.

3. Line agencies try to fulfil the legal requirements, but only at superficial level. They are vertically accountable and guided by the central level and hence are not very supportive of local governments.

4. Participatory planning as a bottom-up process has been degenerating into planning formalities and rituals. It is not taken seriously and respected in the 'black-box process' at the district level. This is one of the reasons why people have been losing their interest in such exercises, which has slowly been leading to an environment of mistrust at the district level government. Frustrations over planning exercises and a feeling of systematic marginalization are in the air (especially in remote areas).

5. Planning methods and tools are not used for planning purposes. This means it is out of context (or too early) to talk about the usefulness of these methods and tools which are not tested in the real world. Planning is relying on subjective judgments even as political and personal biases take their toll.

6. There is an absence of holistic thinking in planning and district development. Sectoral supremacy through line agencies and compartmental thinking are dominant in district planning activities.

7. Participatory planning is a forum to discuss the diverse interests of people presented by different stakeholders, including elected political representatives. In the absence of elected political representatives, the exercise is no more than a planning formality and hence futile.

8. The planning process has been largely disrupted by the growing conflict, the absence of elected representatives in local bodies and the suspension of local elections.

9. Decentralised decision-making and local governance have been found to be successful in micro-planning efforts in some areas. However, their impact on macro-planning at the national level is not taking root. The national level plans and programmes are not based on the needs reflected in local plans, programmes and their demands.

10. Strengthening participatory approaches may ultimately contribute towards the wider goal of reducing the incidence of poverty in the rural areas and promoting democracy at the grassroots level.

11. The planning and decision-making process distorted the spirit of participation and decentralisation in Kavre district. In this way, the benefits of decentralisation may not reach the general people since they are highly likely to be hijacked by middle class or urban elites.

Inferentially, power is decentralised to the grassroots level through intermediary levels of government. There is a high chance that decentralised power may decline or slow down while trickling down from the centre to the district and from the district to the village, thus offering less room for popular participation. This leaves the lower tier of governance as the least effective of all.

8.6 Implementation gaps: measurement of effectiveness of district plans and programmes

This chapter attempts to assess and analyse district plans and programmes based on quantitative data from different perspectives. The objectives of the analysis are to

triangulate the qualitative data gathered from different sources and to measure the degree of implementation effectiveness using the five indicators described in the conceptual framework and in the research questions (see chapter 5 for details).

Projects are lost during the planning process at different levels

The number of requests made by the VDCs and Municipalities at sub-district level workshop were many (4,604), while only 14 percent (625) of the project proposals were recommended, compared to the fact that only 6 percent of project proposals moved by the VDCs and Municipalities were approved by the District Council. Thus, a significant number of project proposals are shot down during the planning process at different levels (table 80 and figure 36).

Table 80:   No. of projects proposed, approved and implemented, Kavre

Year	Project filtration in the planning process at different stages: number of projects				
	Requested by VDCs and Municipalities to sub-district level	Sub-district level work-shop (rec-ommenda-tion)	Approved and recom-mended by the DDC	Approved by District Council	Actually implement-ed
2000/01	1,653	247	121	96	85
2001/02	1,560	206	104	89	79
2002/03	1,391	172	145	99	89
Total	4,604	625	370	284	253

Source: DDC Kavre, 2004

There are several reasons for such a sharp drop in the number of projects. First, the VDCs and Municipalities proposed a long list of demands hoping that if they put in many demands at least some of them might get approved. Another hidden reason is that if they propose a more flexible list, local leaders can act during the planning process at the district level to select those projects which they like most and can discard those which they dislike. The third reason is the budget estimate (ceiling) which is not given on time by the NPC to the local bodies. A list of projects is pre-pared as planning proposals without knowing the availability of the budget. General-ly, proposals are to be prepared based on 10 percent increments of last year's total available budget, but this is not followed properly and no criteria-based prioritiza-tion exercise is carried out during the selection process.

Figure 36: No. of project proposals filtered in Kavre (2000-2003)
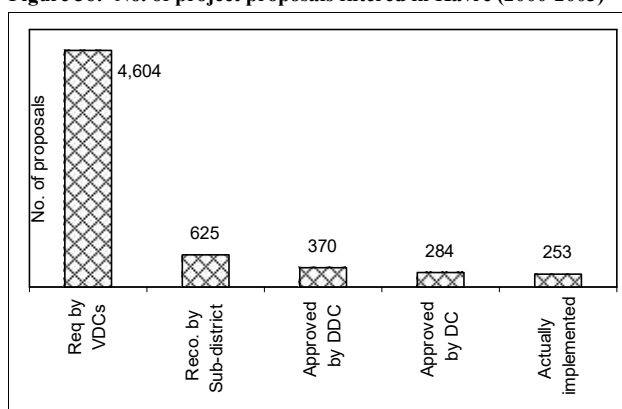
Source: DDC Kavre, 2004

Some approved projects are not implemented for three reasons. The first is, if expected revenue is not collected, some projects cannot be implemented due to lack of funds. Most of these projects belong to the remote areas, having weak access to power. The second reason is, if there are local conflicts in terms of site selection, ownership, etc. then the implementation is usually ruled out or stopped. The third reason is that the administrative procedure is the same for big and small projects. The bureaucratic hassles discourage local partners to go to district headquarters to get such a small amount.

Investment in the last ten years and priorities

The DDC has invested in different categories of small infrastructure projects during the last ten years (1991-92 to 2001-2002). Table 81 shows the number of projects by category and the amount invested in these projects.

Table 81: DDC's investment in last 10 years (NRs.), Kavre

Types of project	1991/92-1996/97		1997/98-2001/02		Grand total		Average of investment /project
	No. of projects	Invested amount	No. of projects	Invested amount	No. of projects	Invested amount	
Drinking water	412	6,804,826	101	2,433,750	513	9,238,576	18,009
Building construction	236	4,335,633	320	10,205,520	556	14,541,153	26,153
Road construction	46	232,275,102	55	48,311,271	101	280,586,373	2,778,083

Types of project	1991/92-1996/97		1997/98-2001/02		Grand total		Average of investment /project
	No. of projects	*Invested amount*	*No. of projects*	*Invested amount*	*No. of projects*	*Invested amount*	
Schools	48	513,410	69	1,061,300	117	1,574,710	13,459
Agriculture/ livestock	1	16,000	11	447,300	12	463,300	38,608
Suspension bridges	18	2,243,500	34	1,234,295	52	3,477,795	66,881
Electrification	3	100,000	8	378,500	11	478,500	43,500
Irrigation	41	1,515,333	34	684,600	75	2,199,933	29,332
Social or-ganization	4	12,500	23	638,343	27	650,843	24,105
Health	3	51,000	2	35,000	5	86,000	17,200
Misc.	3	29,408	5	45,000	8	74,408	9,301
Bridges	9	292,600	21	1,024,735	30	1,317,335	43,911
Total	824	248,189,312	683	66,499,614	1507	314,688,926	

Source: DDC Kavre, 2004

As illustrated in table 81, most projects are related to building construction (556) while the average investment per project is NRs. 26,153. The second highest number is drinking water (513), where the average investment per project is NRs. 18,000. The DDC implemented a total of 1,507 projects in the last decade.

Table 82 shows the number of projects implemented by Kavre DDC. In terms of resource allocation, the number of DDC-level projects adds up to 26 percent, whereas in terms of number of projects the DDC level projects add up to 66 percent.

Table 82:   No. of projects implemented by Kavre DDC in the last 10 years

Description	1991/92-1996/97	1997/98-2001/02	Total of 10 Years	%*	%#
VDCs (including VDC grant given by the central level through the DDC)	336	423	759	73.56	33.57
Number of DDC level project	824	683	1507	26.44	66.43
Grand total	1160	1106	2266	100	100

*Note: * In terms of resource allocation. # In terms of number of projects*

Source: DDC Kavre, 2004

There was no clear vision, development policy or declared priority criteria set by the DDC until the year 1999-2000. The District Periodic Plan (DPP 2000) prepared by the DDC involving stakeholders declares the district's holistic vision, development

principles and the priority criteria. However, the trend of project selection and investment patterns has not changed in tune with the shared vision and agreed principles even after the implementation of the DPP.

Size and number of projects

The average size of the projects in terms of investment varies in Kavre. The average size in road construction is NRs 2.7 million, whereas the average school related project is only NRs. 13,000. Excluding road construction, most of the projects fall in the range of NRs. 25 to 35 thousand. Table 83 draws a comparison between the biggest and smallest projects in the last three years.

Table 83:   Biggest and smallest project of Kavre DDC, (NRs. '000)

Year	Biggest project		Smallest project	
	Name of the project	Budget	Name of the project	Budget
2000/01	Suspension bridge construction, Phalametar VDC, Ward no.1 and 2	400	Drinking water, Panauti Municipality-9	5
2001/02	Chakhola bridge, Jaisithok VDC	300	Drinking water, Dhunkharka VDC, Ward no. 2	5
2002/03	Rural electrification, Kavre VDC and Thulitar	100	Drinking water, Sikhar Ambote VDC	8

Source: DDC Kavre, 2004c

Table 83 shows that the size of the project ranges from NRs. 5,000 (equivalent to 59 Euros) to NRs. 400,000 (equivalent to 4,705 Euros). Most DDC supported projects are small. However, such small projects are also directly implemented by the DDC from district headquarters. Sometimes administrative and monitoring costs exceed the total project costs and the bureaucratic hassles become unbearable to the community.

If implementation is delegated to the concerned VDCs, funds can be more accessible to local partners and the DDC's role would be more effective and efficient. However, day to day contact with local leaders and other partners through project management activities is considered important for political reasons. These are the reasons for centralising the project management authority in district headquarters even in the case of smaller projects. In fact, it is the unwillingness of decision makers to delegate power to the lower level.

Small versus big projects

The small projects are more localized and provide benefits rapidly to the beneficiaries. Small projects have more distributive effects, as rural communities cannot tackle the relatively higher scale development problems. However, small projects are cost-

ly when looked at in terms of monitoring and procedural hassles to be negotiated, which are the same regardless of the size of the project. There are a number of cases in which the technical supervision cost (which is mandatory) may have been higher than the project cost itself. Small projects compete with the VDC level projects.

Naturally, political as well as individual interests are associated with each project. In the rural areas where the needs are simply too many, it is difficult to decide. Knowing a shared development vision, priorities and data-based planning may help in this situation in addition to participatory planning in its true sense.

In case of the DDC, more and more smaller projects are selected because of the structure of the District Council. As discussed above, members of the District Council among others are VDC level officials (VDC Chair and Vice Chair). Given the limited finance available, the District Council members naturally are inclined towards bringing some projects to their own VDCs and Municipalities. Therefore, due to village-focused arguments in the District Council, projects having a district or regional level scope addressing broader development issues are not likely to be approved by the District Council. Thus district or regional level development issues are rarely addressed in the district plan.

Measurement of implementation gaps: different quantitative indicators

This section assesses the implementation effectiveness (implementation gaps) of the district plans and programmes using the following pre-defined quantitative indicators:

    1. Physical targets versus achievement
    2. Beneficiary groups targeted versus groups actually benefited
    3. Amount of budget allocated versus actual expenses for development activities
    4. Amount of local revenue generation targets versus collection efficiency
    5. Time allocated versus actual time spent for implementation

However, findings of the measurement of implementation effectiveness based on these indicators are the intermediate outputs of this research and not the end product. This step is rather the entry point to exploratory work in an empirical setting in order to further explore determinants or critical issues causing implementation gaps using the broader research questions related to power and participation (see chapter 5.1 and 5.2).

Indicator 1: physical targets versus actual achievements

The initial notion of this indicator was to measure targets versus actual achievements in a comprehensive fashion. However, given the diverse activities and numerous projects, it was not possible to measure as initially expected. Therefore, these aspects have been measured indirectly based on the availability of data.

Table 84 illustrates three years comparative figures showing number of projects approved by the District Council and projects actually implemented in the case district.

Table 84:   No. of projects approved versus implementation, Kavre

Description (both village and district level projects)	2000/01	2001/02	2002/03
No. of total projects approved for implementation	269	248	262
No of projects actually implemented	131	148	139
Implemented projects (%)	48.69	59.67	53.05

Source: DDC Kavre, 2001-2004

There are only about fifty percent of approved projects which actually went into implementation while the rest of the projects were mostly forwarded to the next fiscal year or dropped altogether if beneficiaries or stakeholders did not do the follow-up exercise regularly.

Table 85 shows the three-year overall progress status of implemented projects in the district.

Table 85:   Progress status of implemented projects, Kavre

Year	Projects not started	No. of projects implemented	Completed projects	Average progress status (%)
2000/01	138	131	101	77.09
2001/02	100	148	9	6.08
2002/03	123	139	23	16.55
Total	361	426	133	

Source: DDC Kavre, 2001-2004

A significant number of projects have not been implemented in Kavre (table 85) and the progress status of implemented projects is also not encouraging. The average progress was 77 percent in the year 2000/01, but that drastically dropped in the year 2001/2002 to 6 percent. The progress in 2002/03 has shown some improvement, but the progress rate is still very low (16.55 percent). The following reasons were found responsible for the poor performance specifically in the year 2001/02 and 2002/03:

1. The worsening conflict situation in the district and the poor accessibility of remote areas.
2. The absence of elected representatives in the local bodies since July 2002, and the poor result-oriented behaviour of civil servants who are accountable to the central level.
3. Uncertainty in the availability of development grants to be provided to local bodies.
4. Reduction of VDC and DDC grant amount by the central level due to increased security expenses and decreased level of revenue collection by the centre.

Indicator 2: beneficiary groups targeted versus groups actually benefited

Table 86 shows the number of households targeted and number of households which actually benefited following the implementation of the district plan. Among the number of households targeted, only about 60-75 percent are found to have benefited from the implementation of the district plan.

Table 86:   Households targeted versus actually benefited, Kavre

Description	2000/01	2001/02	2002/03
Targeted households	28,903	20,811	28,659
Actually benefited households	17,600	15,725	18,330
(%)	60.89	75.56	63.95
Deviation between groups targeted and actually benefited	There is no data available to support this indicator		

Source: DDC Kavre, 2001-2004

The notion of this indicator was to measure 'which groups were targeted and who got the actual benefits of development activities' However, it was not possible to find reliable information to support this indicator. Kavre DDC has not created such an information-base yet.

The DDC officials were found not aware of the importance of beneficiaries' information. The location and group of specifically targeted beneficiaries are not spelt out clearly in the project proposals, district plans and related decisions in most of the cases. The DDC officials (both political and professional) are clueless on how actual benefits of the district plan are being distributed in the communities.

Few elected officials have realized that actually targeted groups, the poor and marginalized in particular, are not able to get proper benefits out of the implementation of development activities. However, there are no efforts made to address the issue. Chances are high that well off or middle class families may benefit at the cost of the poor.

Poverty and social inclusion issues

DDC Kavre has initiated supporting targeted programmes in 12 VDCs in the last three years (2000-2003). However, the size and coverage of poverty targeted projects designed and funded by the DDCs are very limited in terms of households benefited and budget allocation (table 87 and table 88).

Table 87: Special targeted projects funded by Kavre DDC (2001-03)

Description	2000/2001 (HHs)		2001/2002 (HHs)		2002/2003 (HHs)	
	Targeted	Benefited	Targeted	Benefited	Targeted	Benefited
Income generating programmes for socially disadvantaged groups	109	109	0	0	20	16
Latrine construction support for socially disadvantaged groups	38	38	296	296	0	0
Women development for rural women	0	0	163	163	0	0
Total	147	147	459	459	20	16

Source: DDC Kavre, 2000-2003, 2004a

Table 88: Budgetary details of targeted projects (NRs.), Kavre (2001-2003)

Description	2000/2001		2001/2002		2002/2003	
	Allocated	Released	Allocated	Released	Allocated	Released
Income generating programmes for socially disadvantaged groups	446,000	446,000	-	-	43,000	43,000
Latrine construction support for socially disadvantaged groups	-	-	30,000	-	100,000	100,000
Women development for rural women	-	-	-	-	288,000	288,000
Total	446,000	446,000	30,000	-	662,776	662,776

Source: DDC Kavre, 2000 -2004, 2004a

Most of these 12 VDCs, where the targeted programmes are implemented, are located in the periphery of the district headquarters (Mahadevsthan, Dhunkarka, Kusadevi, Kosidekha, Kavre, Sathighar, Patlekhet, Birta Deurali, Sarada Batase, Panchkhal, Anekot and Kattike Deurali). Remote VDCs (mostly in the southern and far eastern part of the district), where mass poverty is a challenge, are not covered by poverty-targeted programmes funded by the DDC. Thus the DDC's own initiatives do not properly address the challenges of poverty alleviation.

Table 89 shows the coverage of poverty targeted programmes supported by the central level and the key donors. These programmes have been implemented by Kavre DDC.

Table 89:   Poverty targeted programmes implemented through Kavre DDC

Central level supported programmes	2000/2001 (HHs)		2001/2002 (HHs)		2002/2003 (HHs)	
	Targeted	*Benefited*	*Targeted*	*Benefited*	*Targeted*	*Benefited*
Bisheswor Among the Poor	917	403 (44%)	1,002	504 (50%)	1,100	874 (79%)
Village Development Programme (VDP)	Data not available	NA (81%)	22, 074	17,868 (84%)	22,319	17,981 (84%)
Total	917	403	23,076	18,372	23,419	18,855

Note: Janagal VDC is double counted in the VDP and Bisheswor Among the Poor
Source: LDF Kavre, 2005

In recent years, Kavre DDC has replicated the Village Development Programme (VDP) in one VDC with its own resources and in seven VDCs with the support of the Local Development Fund (LDF),[12] which is also the DDC's indirect initiative. It has focused on poverty reduction through social mobilization (see table 95). This indicates that the DDC is slowly reorienting its efforts towards poverty-focused programmes. This is one of the remarkable efforts made in replicating a successful programme.

Indicator 3: amount of budget allocated versus actual expenses for development activities

Table 90 shows the central level support to the DDC through MLD.

Table 90:   Central level support in the district (NRs. '000), Kavre

Description	2000/2001		2001/2002		2002/2003	
	Allocated	*Spent*	*Allocated*	*Spent*	*Allocated*	*Spent*
Programme related grant (semi-conditional)	95,794	88,762 (92.66%)	20,463	10,237 (50.03%)	20,172	18,570 (92.06%)
General development grant (unconditional)	12,185	12,185 (100%)	12,736	10,886 (85.47%)	12,752	12,345 (96.81%)
Programme support (conditional)	78,742	74,312 (94.37%)	93,090	26,274 (28.22%)	99,050	7,667 (7.74%)
Total	186,721	175,259 (93.86%)	126,289	47,397 (37.53%)	131,974	38,582 (29.23%)

Source: MLD, 2004b and District Treasury Office, Kavre, 2004

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[12] LDF is a fund created at the DDC to support poverty alleviation through social mobilization. It was initially established with the support of Participatory District Development Programme (PDDP), a UNDP-supported programme.

The DDC had received and spent 93.86 percent (average of all supports) of the approved budget in 2000/2001, but in 2001/2002 and 2002/2003 the actual expenditure significantly dropped to 37.53 percent and 29.23 percent, respectively (see table 90). The programme support (conditional) was heavily reduced in these years due to the increased level of expenditure on security. As a result, local development activities in Kavre district were heavily curtailed.

However, the investment in the district through line agencies was relatively stable (see table 101 and 102). This shows that the commitment of the central level to promote local governance enabling local bodies was not that firm in the conflict situation.

Local governments were not effective in political lobbying and pressuring central level authority in the absence of elected representative. Associations of local bodies (ADDC/N, MuAN and NAVIN) could not do much by way of embarking on advocacy upholding the interests of the local government.

As shown in table 91, the total administrative budget of local bodies has not been as affected in comparison to development budget.

Table 91:   Administrative (regular) expenses of local bodies, Kavre ('000)

Year	Allocated budget	Actual expenditure	%
2000/01	9,903	9,902	99.99
2001/02	13,008	11,086	85.22
2002/03	125,251	125,046	99.84

Source: DDC Kavre, 2001- 2004

Indicator 4: amount of local revenue generation targets verses collection efficiency

Table 92 shows the revenue targets and collection efficiency of Kavre DDC.

Table 92:   DDC's internal revenue generation status (NRs. '000), Kavre

Description	2000/01	2001/02	2002/03
Target of revenue generation (NRs.)	9,564	12,685	12,905
Collected amount (NRs.)	9,598	12,395	12,686
Collection efficiency (%)	100.35	97.71	98.30

Source: DDC Kavre, 2000-2004

As illustrated in table 92, the internal revenue collection efficiency of Kavre DDC seems to be quite high – more than 97 percent at first glance. However, it is not the case. Every year the DDC prepares revenue targets simply based on the records of accomplishment of the previous year, not based on the revenue potentials. Therefore, the revenue targets are very pessimistic.

There are no significant efforts made to explore the revenue potentials based on the LSGA yet. It is not being discussed seriously in the planning process. Every year the budget committee carries out some ad hoc exercises before the District Council meeting. There is no responsible officer who is responsible enough to maximize the revenue generation based on the local potentials.

The DDC is more dependent on external resources. The amount of internal income of Municipalities in Kavre is higher than the DDC's income (table 93).

Table 93:   A comparison of DDC Kavre and Municipalities (NRs. '000)

Description	2001/02			2002/03		
	External support	*Internal revenue*	*Total*	*External support*	*Internal revenue*	*Total*
DDC (grant and programme support)	126,289	12,395	138,684	131,974	12,686	144,660
Municipalities (grant only)						
Dhulikhel	360	15,928	16,288	603	14,668	15,271
Banepa	360	28,156	28,516	400	26,053	26,453
Panauti	2,970	9,478	12,448	3,300	8,808	12,108
Total	3,690	53,562	57,252	4,303	49,529	53,832

Source: District Treasury Office, 2004 and DDC Kavre, 2004

Indicator 5: time allocated versus actual time spent for implementation

Table 94 shows that time overrun is a common problem in project implementation. In the last three years, time efficiency has been a consistent problem. But the trend shows that it is slightly improving.

Table 94:   Time efficiency/time overrun

Description	2000/01	2001/02	2002/03
Time allocated/No. of weeks	76	110	64
Actual spent/No. of weeks	108	147	76
Time overrun (%)	142.11	133.64	118.75

Source: DDC Kavre, 1999-2003

The time efficiency is calculated based on some major programmes of the DDC (table 94). There is no tradition of preparing any activity plan or plan of operation to keep the implementation on track from the perspective of time management.

Implementation of district plan: a successful case

Implementation is a process of execution or carrying out of programmes or projects aimed at achieving specific policy objectives (Cheema 1983: 27 in Meshack 1992: 34). Forester (1993) notes: "Since planning is a value-laden activity whose success or failure has consequences for the society encompassing it, any theory of planning must meet broader requirements than those demanded of theories in the natural or physical sciences" (Forester 1993: 16). He further explains, "Not only must an adequate account of planning practice be *empirically fitting*, it must also be both *practically appropriate* to the settings in which planners work and *ethically illuminating*,

helping planning and citizens understand and assess the ethical and political consequences of various possibilities of action, policy, or interventions" (ibid: 16).

With these conceptual references, a few programmes in the districts have proven that they are successful not only in achieving their objectives, but also in being embedding in the social and cultural context of the society in the district. One of these successful cases is discussed below.

Poverty alleviation through social mobilization: a successful case

Poverty alleviation through social mobilization is one of the successful programmes in Kavre. The name of the programme is Village Development Programme (VDP) initiated in 1996 with the support of PDDP, UNDP, MLD and NPC. As described above, the VDP has been replicated by the DDC in 7 more VDCs in addition to the PDDP's initial support to 20 VDCs.

Introduction to VDP and organizing mechanism

The CBOs are encouraged to be formed, organised and/or strengthened through a process of social mobilization in which a social mobiliser is deployed to each VDC to motivate and facilitate villagers to organize themselves, strengthen cohesiveness, build up their capacity, identify their priority needs and undertake their own savings, as well as seek out and use locally available and external resources for community initiatives. The Local Development Fund (LDF) is established at the DDC level to support community initiatives. Moreover, a lump sum seed fund and initial credit capital are provided as grants to the village where the VDP is initiated. A network of CBOs manages the funds at village level in a transparent manner. Larger projects are submitted through the VDC and processed in the district planning through *Ilaka* (sub-district) level workshops. The CBOs at VDC level meet regularly on a weekly to a monthly basis as may be convenient to them. Each member deposits a certain amount of cash as saving in every meeting based on his or her own willingness and understanding made in the group.

Current status of the VDP

Table 95 shows the progress status of the VDP in Kavre district. .

Table 95:   Status of the VDP (as of mid-July 2003), Kavre

Description	2002/03 (Cumulative figures)
Number of VDCs covered by VDP	28
Total number of settlements covered	469
Total number of CBOs (men 390; women 412; mixed 66)	868
Total members (men 11,607; women 12,113)	23,720

Description	2002/03 (Cumulative figures)
Households covered by the programme	17,868
VDC's contribution to the funds (NRs.)	2,488,100
DDC's contribution to the funds (NRs.)	680,000
Capital formation (savings)	32,678,523
Number of beneficiaries of the training	4,566
Number of beneficiaries of exposure tours	53
Credit capital investment for income generating/enterprise related activities	89,028,554
Maintenance funds (NRs.)	341,184
Community-based livestock insurance scheme	
No. of VDCs	15
No. of insured livestock	3,653
No. of shareholders	3,522
Amount in insurance funds (NRs.)	8,450,853

Source: DDC Kavre, 1999-2004

Table 95 shows that the VDP has been covering more than one-third of total VDCs in Kavre district. It is supporting local communities in a wider range of activities – from small infrastructure development to capacity development, credit formation to women's empowerment, strengthening social networks and social cohesion. To a large extent it has been successful in minimising the national conflict at the local level on its own modest scale.

The secret behind the success of the VDP

The VDP is more successful than other programmes in terms of addressing the crucial issues of poverty, empowerment and gender issues using social strengths. The VDP has been found simple but holistic to benefit individuals and households as it helps improve livelihoods, mainly through the individual's own efforts and through the community's self-help initiatives. The programme adopted the social approach to poverty reduction and local development which has been long practiced in the Nepalese society. Therefore, a self-help attitude, trust, social network and social capital are traditionally strong in the Nepalese society.

The VDP recognizes the social dimension of Nepalese society and builds upon a strong social network, self-help practices, trust, collective efforts and the sharing of benefits that prevail in the society as inherent culture to a large extent. Furthermore, social capital has been combined with financial capital that is used through social networks in the social environment of trust, and check and balance is maintained through social control practices. Close monitoring is in place through social means –

day to day dialogue, observation and interactions. Social prestige and moral characters have been considered as highly valuable assets in the Nepalese society, which increases the level of 'trust' in the society.

In addition, both the DDCs and VDCs have played a collaborative role in this programme, putting significant financial means into the mainstream of community-driven development initiatives. Community members also share their scarce financial resources in the saving fund. This collaboration and functional relations have contributed to the success of the programme. The women's role has received a boost through the empowerment process by making women realize that they are equal to men, thus strengthening their capacity and letting them improve their situation by themselves. Poor families try to decrease their feelings of humiliation and get an opportunity to enhance their capacity through awareness, skill development training and other participatory approaches.

Another significant achievement of the programme is that it completely replaced informal lending practices with extremely high interest rates and the serious exploitation associated with it in the rural areas where formal financial institutions do not exist. Even in the current severe conflict situation, the savings are being revolved and are not significantly disturbed by the insurgents. The size of the saving has increased significantly and is being used for a number of income generating activities by the rural population.

Although the VDP is successful in achieving its objectives, there are some challenges and losers. Losers are some groups which have limited capacity to save at a rate to leverage sufficient credit and loans from the LDF. Other losers may be the households that do not take up membership in the CBOs and their activities. If grinding poverty is the reason for a being a loser, there is a risk that the poorest get even poorer. If caste is the reason, those who are already marginalized will be even more marginalized (PDDP 1999: 17).

Table 96 illustrates the utilization status of credit capital in the programme-supported VDCs in the country. The figures are not limited to Kavre, but show an aggregated situation of 60 districts, where PDDP (30 districts) and LGP (30 districts) have been in implementation since 1996.

Table 96: Credit capital used by family status

Status of member	PDDP			LGP		
	No.	NRs. ('000)	%	No.	NRs. ('000)	%
Poor	5,055	14,189	57.40	1,637	1,176	53.53
Medium	3,867	8,553	34.60	1,286	1,021	46.47
Rich	896	1,977	8.00	Not available		

Source: PDDP, 1999

A study carried out for the South Asia Poverty Alleviation Programme (SAPAP) in Nepal in April, 1998 shows that the households that do not take part in the CBOs are about 17 percent. These households do not participate because of poverty while 21 percent live in dispersed settlements in the mountain areas. Due to poor accessibility and rugged terrain, it is not easy for them to organize themselves into CBOs. Other reasons were that the household heads had migrated to other places or there were differences of views among the CBO members.

In comparison, the coverage of households in Kavre seems to be better. The average coverage of VDP ranges from 81 to 84 percent of total households. However, how many poor families there are outside the programme coverage has not been identified yet.

8.7 Key issues and their implications: putting theory in a broader perspective of practice

This chapter offers a discussion on the key implementation issues and challenges that are directly or indirectly responsible for gaps in the district plan implementation, which have long-term implications on decentralised local governance. The first part of the chapter presents the key issues and challenges from the implementation perspective. Potential implications of these issues and challenges for the overall local governance are also discussed.

The organizational dimensions of district planning and the implementation

The organizational environment of district planning and implementation is very complex. It is even more complex in the given governance context of adopting a participatory approach and involving multi-stakeholders in the planning and implementation process (figure 37).

Figure 37: Organizational dimensions of district planning and implementation
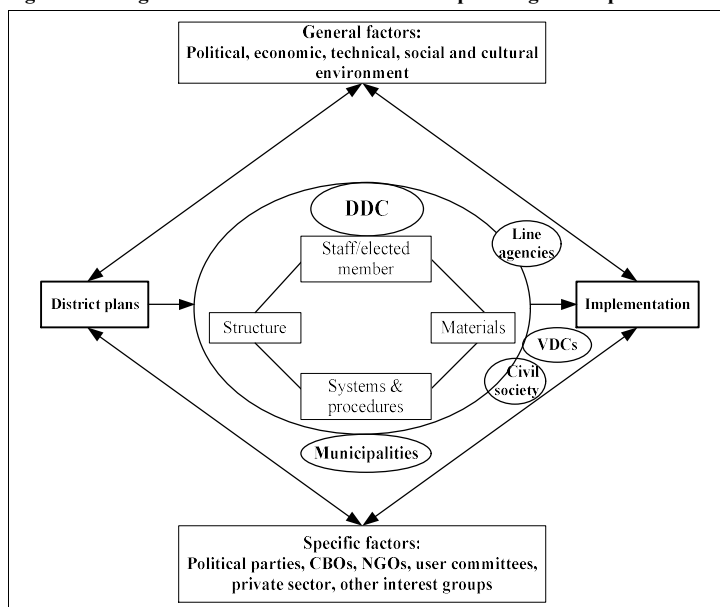
Source: Adapted from Pawson and Tilley, 1997

There are multiple actors having many 'covert' and 'overt' interests. These create multiple realities that play a vital role in effective planning and successful implementation. Many interests may not be evident while planning, but emerge and become evident when planning enters the implementation stage. Therefore, implementation is a crucial stage when theory is placed in the broader perspective of practice.

The key issues and challenges that emerged in Kavre district during the implementation of decentralised policy and plan implementation are discussed in the following section.

Fundamentals of planning ignored

Development politics and biases: a pertinent issue

The decision-making dynamics at the DDC and the District Council meetings, as discussed above, also mark the decision-making process at the district level, ignoring the principles of participatory planning and equity concerns. The process of planning and decision-making is less rational in the eyes of majority of stakeholders. Grassroots stakeholders find the planning process at the district level less transparent. The downward accountability is not adhered to by DDC Kavre. The situation in the district reconfirms the observations of Cheema as he notes: "It has become clear that the impacts of change in political and administrative organization are rarely neutral. They advance the interest of some groups in society over those of others" (Cheema 1983: 9 in Meshack 1992: 30).

Kavre DDC has published the "Citizen Charter" outlining the rights of people and procedures to get services from the DDC. However, the administrative systems and procedures are not well-established nor have they been re-oriented according to the "Citizen Charter" as the officials do not have enough confidence and professional courage to manage the local politics or to minimise excessive political biases in development activities. Furthermore, there is no mechanism of independent evaluation to assess its effectiveness. This explains why the "Citizen Charter" is not effective enough in practice. There are no significant changes in the service provisions and the overall quality of service delivery since the enforcement of the "Citizen Charter" (observation 2003 and FGD 2004).

A number of day-to-day planning and development-related activities in the DDC are carried out based on what is commonly known as *'Tok Adesh'* (ad hoc instruction of decision makers) of political representatives, the DDC President in particular. Sometimes the District Council's vague decisions provide enough excuse to decision makers to manipulate. As a result, a significant number of projects are selected on an ad hoc basis. Thus, the DDC's piecemeal decisions underestimate the participatory spirit of the district plan (table 97).

Table 97:   Projects approved by Kavre DDC on piecemeal (ad hoc) basis

Year	Projects approved by the DDC/ad hoc decisions	
	No. of projects	Budget (NRs. '000)
2000/01	123	4,250
2001/02	354	9,379
2002/03	63	1,126
Total	540	14,755

Source: DDC Kavre, 2004c

The DDC's minutes show that in almost every meeting throughout the year, there are some decisions that relate to project selection or budget amendments. It shows that project selection on a piecemeal basis is a major concern in the DDC meetings.

There are a number of implications of implementing such decisions. Local partners – especially the common people and politically unbiased CBOs and NGOs – do not willingly cooperate in implementing politically-biased development projects. The other serious problems is related to community ownership of the projects in question. This is to say that impacts of these projects are also not sustainable. Excessive political control over economic resources and high political biases in development may lead to more inequality and social disintegration in the long run.

No direct linkages between Periodic Plan and Annual Plan

As discussed above, the DDC had prepared the District Periodic Plan (DPP) in 2000. However, the objectives and priorities set in the DPP do not directly correspond to the targets and priorities of the annual district development plan. Line agencies are not committed to following the DPP's targets and priorities. The same applies to the case of the DDC's own development activities. The DPP has not been properly considered in preparing annual plans and programmes, and the regular ad hoc planning decisions overrule the plan documents (documentary review 2002-2004).

Inadequate planning and management competency of district institutions

There are serious problems of planning and development management competencies in the DDC and line agencies. Basic planning concepts and principles are not followed in the district planning process, and the district planning is taken solely as a process while less attention is paid to the technical and financial side of the plan. Realistic resource projections are not carried out, target beneficiaries and timeframe for implementation are not well defined during the planning process, and that renders planning an ad hoc process while the output of the planning process, particularly at *Ilaka* level, is a collection of local shopping lists.

Kavre DDC has a good database and GIS system. But it is not properly used in the planning process. Instead, political influence-peddling and subjective judgments are more deterministic in planning exercise in most cases at the district level. The district plan is weak in properly addressing the citizen's real priority needs and the focus of the district plan does not necessarily promote the local initiatives.

Weak monitoring and evaluation practices

There are different mechanisms and methods of monitoring and evaluating district development activities prescribed in the LSGA, 1999. These legal provisions are outlined below together with an assessment of how these provisions are practiced in reality.

Supervision and monitoring by members of parliament

A Supervision and Monitoring Committee (SMC) under the Chair of the MP of the concerned district has to be formed each year (chairing the committee is on rotation basis) consisting of the following members (LSGA 1999: Clause 210).
– Member of Parliament (alphabetically) – Chair
– DDC President – Member
– DDC Members designated by the DDC President – Members
– Concerned Officials – Members

The Supervision and Monitoring Committee has the following responsibilities:
– To determine whether the resources and means estimated during formulating the district plan have been mobilized as per the goals and objectives.
– To determine whether the district plan and related programme projects have been implemented timely as per the calendar or not.

Based on its findings, the committee gives suggestions to the DDC for effective implementation of the district plan. The committee is supposed to meet every four months. However, the committee never met during the five years prior to the second week of July 2002.

Monitoring by the DDC – members, technicians and others

There is a provision of internal monitoring by the DDC members, technicians and other officials working at the district level. There is one sub-committee in the DDC headed by a DDC member which is specifically organized for the purpose of monitoring. Table 98 shows the frequency of monitoring visits carried out by different authorities in the district.

Table 98: Monitoring by DDC officials

Year	Monitoring by Sub-Committee	Field visit by the DDC staff	Field visit by elected officials
2000/01	0	31	115
2001/02	3	26	121
2002/03	0	39	0
Total	3	96	236

Source: DDC Kavre, 1999-2004 and 2004c

The sub-committee led by the DDC member visited few sites (only three times) during 2001/2002. No such monitoring visit took place during 2000/2001 and 2002/2003 by the sub-committee.

Progress review and periodic evaluation by the DDC

According to law (LSGA 1999: Clause 211), the DDC has the responsibility to periodically appraise and evaluate the district development plan as follows:

– To evaluate the effect of each project completed after one year.
– To carry out sector-wise progress evaluation of the project being implemented every six months.
– To evaluate the provisions on the repair and maintenance of the project completed each year.
– To identify the type of community benefited from the project and the result.
– To identify the increase in production and employment opportunities resulting from the project.
– To identify the environmental impacts of the development projects.

The DDC organizes meetings on a quarterly and an annual basis for periodic review. All line agencies and NGOs and donor-supported projects have to bring their progress reports to the meeting. All items outlined in the law (as described above) are evaluated in a much aggregated manner while concerned agencies present their progress. There are more than 20 such agencies which take part in a one-day meeting and consequently hardly find time to discuss planning and implementation issues. Then all these reports are compiled and sent to concerned agencies while a summary is published in the DDC's Bulletin. This is done merely as part of planning formalities, while there are no significant impacts of such a review process in improving the implementation and planning practices (observation 2003 and exploratory interview 2004).

Monitoring and evaluation by regional and central level agencies

Regional and central level officials monitor and evaluate the district plan on a sectoral basis as it concerns them. The Agriculture Ministry, for example, conducts monitoring and evaluation activities only for agriculture-related projects and programmes, while other sectoral ministries do the same. The MLD, however, carries out monitoring activities on a random basis. The MLD mostly relies on secondary information. The central level monitoring is not effective and there is no feedback sent to the district based on the findings of the assessment. There is no integrated monitoring and supervision carried out from the central level. Being a legislative body of the district level local government, the District Council has the responsibility to supervise and monitor activities of district level agencies, but this mechanism is not functioning any more in Kavre district.

Weak development management and poor internalization of learning

Observation of the daily activities of planning professionals working at the district level has shown that a significant stretch of their time is dedicated to routine types of administrative activities. Their attention and daily efforts are not aimed at addressing and solving the planning and management issues in order to improve the development performance and to 'design the future,' but at managing the present on the basis of the known past.

There are wider differences between remote rural areas and urban areas in terms of level of development, awareness, and social mobilization status. The VDCs having social mobilization programmes (VDP) are more ahead in these aspects. The

VDP is replicated in some VDCs, but the best practice and experience gained by these VDCs are not disseminated widely and not internalized in the local development process in a proper manner.

The institutional memory of the DDC is weak. Progress review, internal and external monitoring activities are carried out periodically in the district, but only in order to complete the planning and management formalities. The experiences, problems and issues are not discussed properly among the stakeholders. Experiences, learning and best practices are not articulated, discussed or documented and are not shared with the development partners properly. Thus the feed-forward and feedback process are very weak.

These activities do not have significant positive impacts on implementation and are not reflected in the re-planning activities. These issues are not necessarily addressed on a priority basis in the daily activities of planning and development professionals. Therefore, similar planning and implementation issues have been recurring every year.

Traditional and cumbersome internal procedures and inefficient staff

The key elements of capacity were assessed particularly focusing on the DDC during the study. They included 1) organizational structure, 2) systems and internal procedures, 3) human resources, and 4) material resources.

The internal working procedures of the DDC and service delivery mechanisms are more traditional and less efficient. Some administrative procedures are carried out simply as part of a tradition and have not been reviewed for long time. The office record-keeping system is very weak and traditional. Simple forms and formats can be developed to facilitate the administrative procedures, but the DDC has not given proper attention to these aspects. Staff workload is not distributed equally. While some officials are extremely busy, others are not very busy.

The overall level of competence of the local staff of the DDC is weak. In the DDC, the staff are hired not on a competitive (merit) basis, but on the basis of political as well as personal contacts. When the political executive and the LDO move out, the local staff, who are not competent enough, feel somehow threatened. Some of them give more priority to pleasing elected representatives rather than working effectively and being accountable to their supervisors.

The capacity of VDCs is also crucial for the success and effectiveness of the DDC. Now in rural areas, the VDC Secretary, who is the only staff in most of the VDCs, does not stay at the VDC area due to the Maoist conflict. They are either stationed at district headquarters or in urban centres. More than one third of the VDC offices have been completely vandalised by the rebels. Since the middle of July 2002, there have been no elected political officials in local governments. VDC's responsibilities have been given to a three-member committee chaired by the VDC Secretary. But almost all of them are out of their working stations. A minimum level of public service also has come to be centralised at district headquarters.

Lack of adequate resources, poor capacity, high cost of service delivery due to the inaccessibility and scattered settlement and increasing conflict seriously hamper the village level service delivery and village governance.

Weak time management and loose focus of the DDC officials

Time management is a very crucial problem particularly for the effectiveness of implementation. Planners and development professionals spend almost half of their time on non-planning activities (table 99).

Table 99: Activities and time management of the key DDC officials, Kavre

Categories of activities	Daily time spent (%)
Planning activities 'designing the future'	
Planning	9
Implementation	17
Evaluation and re-planning	1.5
Resource mobilization	3
Public relations, mediation and counselling	7
Contacts, communication, networking and coordination	14
Sub-total	51.5
Non-planning activities	
Routine administration and control activities	24
Administrative correspondence	14
Others	10.5
Sub-total	48.5
Total	*100*

Source: Daily diary, 2003

Meetings and workshops consume a large portion of time of the LDO and the chiefs of line agencies, which are considered planning activity. They have little time left to give proper attention to implementation related issues that ultimately lead to implementation inefficiency. More than a dozen meetings and workshops were observed during the field study period at the district level. These events were started 40-45 minutes behind schedule (average). During the meeting, the agenda was not clearly stated, participants' attention was not on the specific discussion, and the meetings were not structured well.

The key staff of the DDC are overloaded and have to perform their daily activities under a pressure that does not allow them to think or add value to the job performance. The LDO, who is the development coordinator at the district, has to cope with diverse political pressures, mediate between different interest groups and finally has to find a compromise.

Implementation modalities and management practices

Basically speaking, there are three different implementation modalities that have been practiced in the district. The district plan is implemented using any one among these:

1. Users' Committees, CBOs or NGO
2. Contracting out implementation to private-sector organizations
3. Directly either by the line agencies or local bodies

A majority of the plans and programmes of the local bodies are implemented through local CBOs, Users' Committee or NGOs. This is discussed in detail below.

Users' Committees and non-governmental organizations

This is the commonly practiced implementation modality which has been in use at the local level, particularly in DDCs, VDCs and Municipalities. The DDC has to form 'Users/Consumers' Committee through the concerned VDC or Municipality from amongst the persons who receive direct benefit from the project while implementing the projects under the district development plan.

Thus, the DDC facilitates forming Users' Committees and the Committees take charge of implementing development activity or projects in their locality. The users' committees have to be democratically formed among the people who are expected to directly get benefit from the activity. Under the legal provision at least 30 percent of the committee members should be women.

The basic concept of Users' Committees was developed in the 1980s when the first Decentralisation Act, 1982 and related Regulations, 1984 were enacted. The notion of the concept is that when people identify their needs by themselves and implement the projects themselves, it is resulted into a high level of community ownership. It has been realised now that the concept of the Users' Committee is very closely aligned with the participatory approach of planning.

The cumbersome process

The bureaucratic procedure at the district level related to project implementation is too long and cumbersome. It includes formation of users' committees, applying at the DDC through the VDC or Municipality, bringing the technician and preparing a cost estimate and design, securing approval from the LDO, signing a contract and opening bank account. Thus the concerned implementing agencies (Users' Committees, local NGOs) have to visit district headquarters at least five times (table 100).

Table 100: Visits to district headquarters

No. of visits	Description of activities
Visit 1	For signing the contract and getting first instalment.
Visit 2	For bringing a technician to the site to show the progress.
Visit 3	For getting the second instalment of the allocated budget.
Visit 4	For getting the final instalment
Visit 5	For final technical evaluation and financial clarence

Source: Observation and exploratory interview, 2003-2004

If the concerned official is not available at the DDC, or some paperwork not completed properly, the number of visits could go up accordingly. This is one of the reasons that genuine users generally are not willing to be a member of the users' committees. Users generally do not have that level of courage and financial capacity (especially from remote areas) to face all those procedural blues on a voluntary basis unless they get direct individual benefit from the implementation of the project.

Moreover, users' committee or CBO members find it tough to please technicians who approve the expenditure and submit the technical report to the LDO. The LDO insists on the signature of junior technicians and does not rectify the account of expenditure or related items without his/her concurrence. The users' committee cannot offer the technicians extra financial incentives, because of the users' committee's transparent mechanism at the community level.

There are users' committees composed of local contractors which carry out the implementation of the project in the area. Essentially, these committees are non-profit community organizations and hence don't need to pay income tax to the government. These committees save the tax amount (15 percent at minimum) and profit from their activities, and tend to work in tandem with users' committees. These invisible contractors, as discussed above, implement the project on behalf of the users' committees which has tended to culminate in ruling out ownership of the project among the local communities. This explains how this simple and noble concept has been implemented badly and has become one of the causes of implementation ineffectiveness at the local level.

Weak partnership, functional coordination and collaboration in implementation

The LSGA allows and encourages local bodies to work in partnership with civil society, particularly with CBOs, NGOs and the private sector players. All government and/or semi-government agencies engaged in local development activities have increasingly involved NGOs, CBOs and private sector players in planning, programming and implementation. The involvement of the NGOs has given momentum to social mobilization by creating self-help organizations and community groups engaged in activities ranging from savings/credit to community development.

District development interventions have evolved the participatory process. However, what is missing is effective and broad-based functional partnership between local bodies, line agencies and the local partners. On the one hand, the strongly rooted sectoral approach of planning and traditional sectoral supremacy is still a challenge in Kavre district. On the other hand, the nature of projects financed by the DDC (drinking water, agriculture, road construction, irrigation, etc.) and the line agencies are quite similar and hence they overlap with each other. An integrated and holistic approach to planning and development is still very weak in practice.

There is weak coordination at all levels, particularly between local bodies and line agencies due to a number of factors, such as control of the central bodies, overlapping of functions between local governments and line agencies, and sectoral budgetary allocation falling outside the local government framework.

The participation of civil society, NGOs and the private sector in local government planning and service delivery is weak and uncoordinated. Civil society organizations such as users' groups and local NGOs often become the tools of the local elite. However, where social mobilization is promoted by community organizations,

the programming and negotiating capacity of CBOs and other local institutions has improved considerably.

Traditionally, private sector entrepreneurs did not have a good reputation and they were seen as agents of exploitation. Other growing partner NGOs had a good reputation around the 1990s. However, national level NGOs have lost their goodwill due to their non-transparent functioning and less open to the local people, local bodies and other key partners. Often national NGOs are deemed to be involved in what is called 'dollar farming' and 'begging and cheating bowl' (Tamang 2003). But the local NGOs (youth clubs and other agencies) having a broad-based membership in local communities are still respected and regarded as voluntary organizations. These local NGOs are considered to be ideal for alternative service delivery mechanisms and self-help development initiatives at the grassroots level.

In recent years, NGOs and the private sector agencies have been involved in providing basic services. The negative image of private sectors and NGOs which work in collaboration with local bodies has also been improving as they are widely recognised as active development partners. Still, some elected officials of Kavre are not very positive towards the private sector and psychologically not yet ready to work in partnership with them. Trusting each other and developing a friendly policy to promote partnership and collaboration is still an agenda in this context. Recently, a few initiatives to promote public-private partnership (especially tourism promotion) have been undertaken by the DDC in collaboration with the Hotel Association of Nepal (HAN).

The LBFC (2000a) has a similar observation: "Even though the fiscal resources of local bodies are scarce, delivery of public services can be ensured through other alternative means like the mobilization of the private sector and NGOs. But in practice, there is very low involvement of the private sector and the NGOs in public service delivery. In the case of the local bodies, the real condition reflects lack of mutual contact and attitude among the local bodies, the private sector and the NGOs. Sometimes the mutual attitude appears to be that of competitors. As a result, sense of cooperation and the assumption has not been established as their roles are to be complementary to each other" (LBFC 2000a: 65).

Credibility of district institutions: centralised institutional culture

Given a political structure, it is normal for the DDC to be recognised as a political entity. However, the DDC's systems and procedures are not simple and people-friendly given the situation of mass illiteracy in the district. Regular publicisation of the DDC's income and expenditures, disseminating progress status through its periodic newsletter, promoting public auditing systems, adopting affirmative action (such as gender policy) and the "Citizen Charter" are some of the efforts undertaken to enhance its image and improve its organizational culture. While not all activities are politically biased, in the eyes of grassroots level partners (CBOs, local NGOs, VDCs, cooperatives, voluntary organizations, etc.) the DDC's image is a politically biased and centralised institution. The reasons explained are the following (FGD 2004):

1. While the DDC is found advocating in favour of decentralisation reaching the community level, the truth is that the DDC itself is less decentralised given its cumbersome procedures which are simply disgusting to the local people.

2. The DDC is unable to properly address and fulfil the local partner's realistic expectations while going back to the participatory planning process at *Ilaka* level.

3. District planning related decision-making processes, especially at the district level, are not transparent enough and the local needs are ignored or underestimated.

However, being a democratic institution by its structure, the credibility of the DDC and VDCs is relatively higher than that of the line agencies at the grassroots level. The central level government institutions, represented by district level line agencies, have been losing their credibility in the local communities for the following reasons (FGD 2004).

1. Common people, CBOs and local voluntary groups have known the line agencies to be highly centralised, non-transparent, corrupt and ineffective organizations.

2. Working procedures of line agencies are known as less friendly to general people and less sensitive to the issues of gender, the poor and socially marginalized groups.

Weak fiscal decentralisation and absorbing capacity of the DDC and VDCs

Central level is in the dominant position in the district

The share of the central level (departments and ministries) through line agencies in the total budget is higher than the budget flow through local bodies in Kavre district (table 101).

Table 101: Share of line agencies and local bodies in total budget (NRs. '000), Kavre (2000-'03)

Description	Approved total budget			Total	Average annual budget	Share (in %)
	2000/01	2001/02	2002/03			
Line agencies	313,362	490,670	408,979	1,213,011	404,337	62.23
Local bodies	244,324	186,897	305,028	736,249	245,416	37.77
Total	557,686	677,567	714,007	1,949,260	649,753	100

Source: District Treasury Office, 2004

The share of the central level budget (in total budget) through line agencies is nearly two-thirds (62 percent) of the total budget in the district, whereas the share of local bodies (DDC, VDCs and Municipalities) is 38 percent.

Table 102 shows the share of line agencies and local bodies in the total development budget of the district on average in the last three years (2000-2003).

Table 102: Share of line agencies and local bodies in development budget (NRs. '000), Kavre (2000-'03)

Description	Approved total budget			Total	Average annual budget	Share (in %)
	2000/01	*2001/02*	*2002/03*			
Line agencies	80,518	161,341	153,376	395,235	131,745	40.19
Local bodies	234,421	173,889	179,777	588,087	196,029	59.81
Total	314,939	335,230	333,153	983,322	327,774	100

Source: District Treasury Office, Kavre, 2004

As illustrated in table 102, the size of line agencies in the development budget is smaller (40 percent) than of the local bodies (60 percent). The total number of staff is higher in line agencies in comparison to the local bodies. Line agencies' staff are working at different levels: the district, sub-district, village and municipality level. This proves that the administrative expenses in line agencies are greater than in the local bodies.

The DDC is highly dependent on the central level

The internal revenue of Kavre is not very significant (three years average is 7 percent). This indicates that the district is highly dependent on external support in general and central support in particular. The increasing trend of internal revenue is not appreciable (table 103 and figure 38).

Table 103: Share of external support and internal revenue (NRs. '000), Kavre

Year	External support		Internal revenue		Total
	Amount	%	Amount	%	
2000/01	186,721	95.11	9,598	4.89	196,319
2001/02	126,289	91.06	12,395	8.94	138,684
2002/03	131,974	91.23	12,686	8.77	144,660
Total	444,984	92.77	34,679	7.23	479,663

Source: District Treasury Office, 2004 and DDC, 2004

The internal revenue of the district is much lower than the national average of DDCs in Nepal (50 percent). There are several reasons behind the lower level of internal income of Kavre DDC. First, Kavre district does not have much potential for revenue from either hydropower or from tourism entrance fees in particular. Second, the DDC is not very innovative in exploring internal revenue potentials. The internal revenue targets are set in a very pessimistic way based on past trends. Third, the worsening conflict situation limits revenue collection efficiency.

Figure 38: External support and internal income of Kavre DDC
(3 years average)
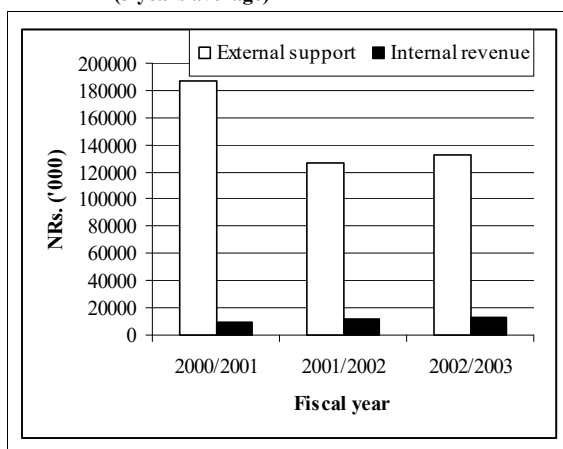
Source: District Treasury Office, 2004

Figure 39 shows the composition of central level support to Kavre based on the approved budget of the last three year's average (2000/2001-2002/2003). The conditional grant is 61 percent, semi-conditional grant is 31 percent and the unconditional general development grant is 8 percent. The DDC has flexibility and decision making autonomy only in 8 percent of the total central level support provided through the MLD.

Figure 39: Central level support to Kavre
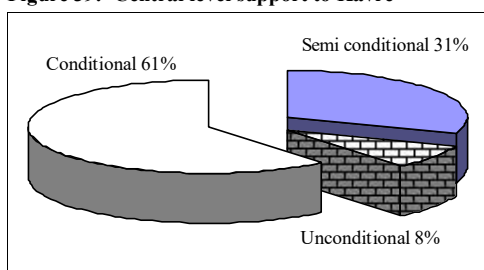
Note: 3 years average/approved development budget only

Source: MLD, 2004

It is evident that the DDC does not have much decision-making power and is dependent on the central level in terms of financial resources. Thus the DDC is bound to follow the central level guidelines and instructions for semi-conditional and conditional grant supports. See table 104 for details.

Table 104: Central level support to Kavre (NRs. '000)

Description of approved development budget	2000/01	2001/02	2002/03	Average of 3 years
Semi-conditional	95,794	20,463	20,172	45,476
Unconditional	12,185	12,736	12,752	12,558
Conditional	78,742	93,090	99,050	90,294
Total	186,721	126,289	131,974	148,328

Source: MLD, 2004b and District Treasury Office, Kavre, 2004.

VDCs and Municipalities' absorbing capacities

The VDCs are also highly dependent on the central level grant (NRs. 500,000/year to each VDC). Information showing internal revenue of all VDCs (87) is not available in the district.

The internal revenue of the municipalities is 97 percent, if local development fees are considered as a part of internal revenue[13] (figure 40).

Figure 40: Municipal revenues, Kavre (3 years average, 2000-2003)
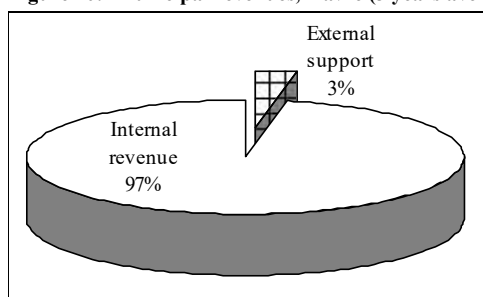
Source: Panauti, Banepa and Dhulikhel Municipality, Kavre, 2004

Weak absorptive capacity of local bodies

It is true that the fiscal decentralisation is weak resulting in limited fiscal autonomy of local bodies. But a serious problem is the weak capacity of the local bodies, which is critical to the overall local governance performance.

The DDC's capacity of absorbing the development budget is very weak and the trend is continuously declining (figure 41), especially in conditional programme support (see earlier section and indicator-3 under chapter 8.6 for details).

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[13] Municipal local tax formerly known as Octroi, a local tax levied on goods entering a Municipality, was replaced by local development fees. Therefore, it is considered as a part of internal revenue of municipalities in the analysis.

Figure 41: Absorbing capacity of DDC Kavre (dev't budget)
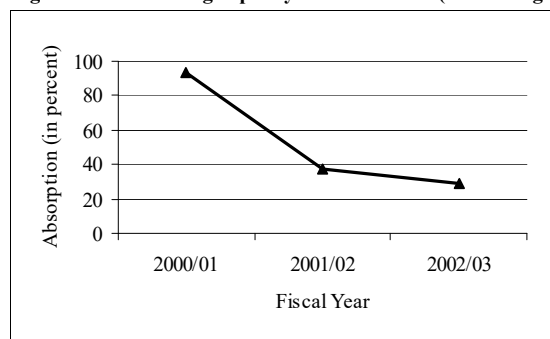
Source: MLD, 2004

The VDC's grant utilization capacity is also very weak (50 percent) with a declining trend (table 105 and figure 42). It is partly because of budget cuts, late budget release, and absence of elected political representatives in the VDCs. Furthermore, threats by Maoist insurgents rule out VDC Secretaries remaining stationed where they should be. This, in turn, adversely affects the funds utilization capacity.

Table 105: Absorbing capacity of VDCs and Municipalities (NRs. '000), Kavre

Description	2000/01		2001/02		2002/03	
	Allocated budget	Actual expenditure	Allocated budget	Actual expenditure	Allocated budget	Actual expenditure
VDCs	43,500	43,500	43,500	21,164	43,500	21,378
Municipalities						
Dhulikhel	300	300	400	360	603	603
Banepa	300	300	3,300	2,970	400	400
Panauti	3,600	3,600	400	360	3,300	3,300
Total	4,200	4,200	4,100	3,690	4,303	4,303

Source: MLD, 2004 and DDC, 2004a

The grant to the Municipalities is not very significant in Kavre district except in the case of Panauti Municipality. That can be attributed to a relatively higher level of internal revenue (which is one of the key criteria for grant distribution) than Banepa and Dhulikhel Municipalities.

Figure 42: Absorbing capacity of VDCs and Municipalities, Kavre
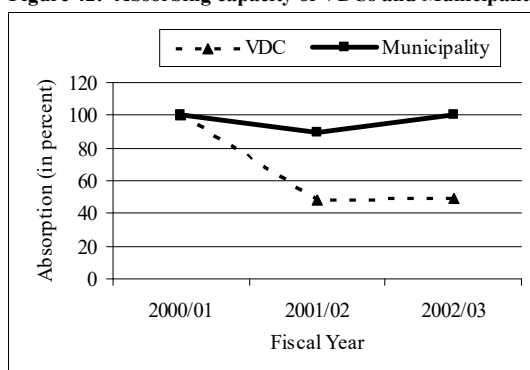
Source: MLD, 2004 and DDC, 2004a

The grant utilization rate of the municipality is higher than the VDCs and the DDC (figure 42 and figure 41 for the case of DDC Kavre).

Absorbing capacity of line agencies and local bodies: a comparison

The central level programme support for district development through line agencies, as discussed above, is notable. Line agencies' overall absorbing capacity in financial terms is relatively higher (more than 87 percent) in the year 2000-2003. In the case of local bodies, it dropped down to 45 percent in 2001/2002 (table 106 and figure 43).

Table 106: Absorbing capacity of line agencies versus local bodies (NRs. '000), Kavre

Description	2000/2001		2001/2002		2002/2003	
	Approved budget	Actual expenditure	Approved budget	Actual expenditure	Approved budget	Actual expenditure
Line agencies	313,362	308,838 (98.56%)	490,670	448,250 (91.35%)	408,979	355,381 (86.89%)
Local bodies	244,324	232,861 (95.31%)	186,897	83,337 (44.59%)	305,028	189,309 (62.06%)
Total	557,686	541,699 (97.13%)	677,567	531,587 (78.46%)	714,007	544,690 (76.29%)

Source: District Treasury Office, Kavre, 2004

The comparative data of three years show that the financial capacity of local bodies in Kavre is very weak (except in Municipalities) and fragile. The conflict situation has also adversely affected the fiscal capacity of VDCs and the DDC as discussed above.

Figure 43: Absorbing capacity – a comparison, Kavre
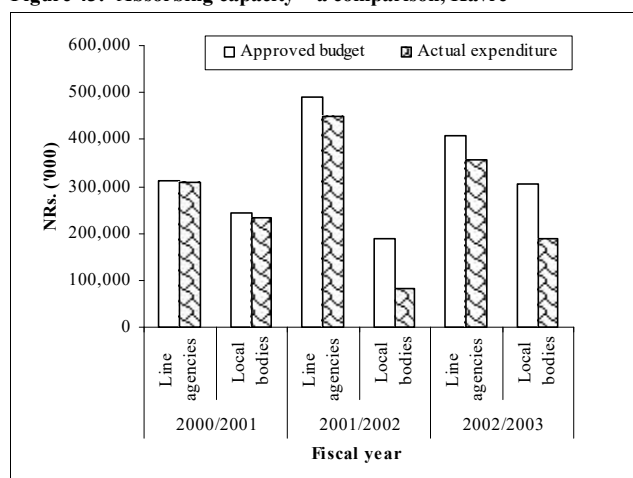
Source: District Treasury Office, Kavre, 2004

To summarise, fiscal management capacity is weak and dependency of the DDC and VDCs on the central level is higher than other districts in Nepal.

Table 107 shows the expenditure against the total grant amount approved by Decentralised Financing and Development Programme (DFDP) implemented with the support of United Nations Capital Development Fund (UNCDF).

Table 107: Fiscal irregularities in grants by fiscal year (NRs.'000), Kavre

Year	Budget approved	Released and expenditure	% of expenditure against budget	Audit objections (amount)	% of amount objected by the auditor
1999/2000	15,665	13,243	85	12,637	95
2000/2001	30,323	25,744	85	13,810	54
2001/2002	35,997	35,900	100	26,225	73
2002/2003	27,651	23,441	85	Audit not completed	Audit not completed
Total	109,636	98,328	Average (88.75)		

Source: DFDP, 2003

As illustrated in table 107, the average absorbing capacity of Kavre DDC is about 89 percent, which is better than the overall programme supported by the MLD. However, the total amount of audit objections is significantly high (54-95 percent). This shows that the requirement of the programme is not fulfilled during the implementa-

tion stage and the fiscal discipline has not been upheld. It also reemphasises that the capacity of the DDC is very weak.

Weak financial management capacity of the local bodies: critical to decentralisation

There can be no genuine decentralisation without the capacity of enjoying fiscal autonomy at local government level. Unfortunately, the devolution of basic services has not been matched by the flow of financial resources in the case district. As a result, the local bodies (except Banepa and Dhulikhel Municipality) remain highly dependent on the central government in financial matters.

Generally speaking, local bodies in Kavre seem to have low absorption and financial management capacity, which has prevented them from making full use of the powers and functions devolved. There are a number of reasons for this situation as outlined below:

1. Due to the country's long history of centralised governance, local bodies have not had much experience in managing their affairs. They are still acquiring technical and administrative skills needed to perform their new role.

2. Even with devolution, the central government personnel continued to be stationed at the DDC (LDO and others), Municipalities (Executive Officer), and at the VDCs (VDC Secretary) and the line agencies. This staff arrangement does not help in strengthening local capability since the trained staff still remain with the central government. Moreover, since the line agencies have expertise and more resources, they have better potentialities to deliver services than do the local bodies. These factors further contribute to weakening the local bodies. Therefore, there is no other way than strengthening the capacity of local bodies. This capacity issue has always been controversial in the history of the decentralisation process in Nepal. It offers a good excuse for recentralizing functions and resources, especially for those who have anti-decentralisation inclination.

3. Vague delineation of functions between the central and local bodies has seriously hindered the local bodies becoming effective in exercising their full authority. It also stifles creativity when it comes to exploring innovative strategies in service delivery and revenue generation at the local level.

4. The DDC's and Municipalities' local staff are not competent in general as they are not hired based on merit system, but on politically biased manner. There are no strong capacity-building programmes in the district. The PDDP has been implemented in the district for building the capacity of the DDC among other objectives. But it has not responded well as required.

5. Line agencies and I/NGOs are out of the mainstream of local governments in that they mobilize a larger share of budget than the local governments do.

6. The DDC and the VDCs are not very enthusiastic towards generating more local financial resources through direct taxation (e.g. land tax, property tax, business tax, etc.) for which the authority is devolved. They are indeed afraid of losing their popular base.

Other organizational and structural issues of decentralisation

Weak horizontal power sharing

Decentralisation is a concept that has to be internalized by each and every authority at all levels, if the benefits of decentralisation are to be reaped and enjoyed at all levels. There are a number of organizational and structural issues that prevent decentralisation and participation from being effective at the district and local levels. Some organizational, management and structural issues are discussed in this section in the light of decentralisation.

In the district, much emphasis has been laid on the decentralisation of central power to the district (vertical decentralisation). Decentralisation along the horizontal level - sharing power among different officials and institutions at the same level - is equally or even more desirable when it comes to stimulating the local government's team and the overall working environment. This aspect, however, is rather weak in Kavre district.

The centralised mentality is not restricted to central level officials, but is evident at the district and lower levels too. This leaves room for the elite to steal the show. The antagonistic relationship between the DDC President and DDC Vice President at the district level, Mayor and Deputy Mayor at the municipal level and the VDC Chair and Vice Chairs at the VDC level are examples in which the sharing of power to the degree desired is ruled out. This suggests that the centralised attitude and similar organizational culture of local bodies have to be re-oriented towards sharing power.

Organizational and management issues related to line agencies

The present organisational set-ups of line agencies were created in the 1970s to support the de-concentration model with strong top-down administrative control. It is noteworthy to mention here that the organizational structures of central level bodies were not reviewed and adjusted in the spirit of the LSGA. Therefore, centralised planning and budgeting practices still highly influence line agencies. Physical targets and budgets are determined from the central level ministries/departments following the indicators of the national socio-economic plan and or sectoral master plans. Thus development activities are vertically integrated but horizontally uncoordinated. That is another cause of conflict between the central-level agencies and local bodies.

Incompatible organizational structure of local bodies

The members of local communities have internalised the fact that local bodies, particularly the VDCs and Municipalities, are landmarks of democracy. But the organizational structure of these bodies is not dynamic enough to address the aspirations of local people and to fulfil the moral and legal obligations. The basic structure created two decades back in the context of a very limited budget and responsibilities still exists with few modifications. The organization and development aspects of local bodies are very weak and not compatible enough to perform the increased roles and responsibilities assigned under the LSGA. This explains why the capacity of the local bodies is poor and the quality of service is not efficient enough.

Social mobilization is limited to less than one-third of the total VDCs in the district. A majority of the CBOs in socially mobilized VDCs are in a very lose and fragile form. Their linkages with the district level institutions are not properly established yet.

Some structural issues related to VDCs: unviable size of VDCs for planning and governance

The small size of VDCs is not viable as a planning and self-governing unit. Most of the VDCs lack basic planning and management capacity. The solitary junior staff (VDC Secretary) who is not even available in the village most of the time is enough to suggest a lack of planning and management capacity. "The small size and large number of the VDCs has been a recurrent issue for some years and recently very high on the agenda" (Shrestha 2002: 7).

The history of VDCs goes back to the 1960s when they were 'politically' created. The jurisdiction of these units is not scientific; they have followed neither geographical or social boundaries. These units were created on an ad hoc basis solely for political purposes: to develop a political cadre especially in favour of the party-less '*Panchayat*' system, and to mobilize them for the advocacy of the system. It is also true that the number of officials in village level units is very high. The basic structure and number of elected officials continued (more or less) even after the restoration of democracy in 1990. After such a long time, these village institutions have created a kind of symbolic attachment in the mindset of local people. Therefore, changing the boundary and restructuring such village units is not only a crucial political issue, but also a social issue.

Over time and given the political system of the day, the role of these village level institutions has increased substantially. Currently, the spirit of the LSGA deems these units as local self-governance units. A series of planning, administrative, taxation, management and service delivery responsibilities have been assigned to these small units. However, their size and capacity does not permit them to be effective and efficient. Boex (2004) has made similar observation in the Nepalese context as he notes: "The village appears too fragmented as an efficient (or even effective) tier to deliver basic government services" (Boex 2004: 17).

Ineffective structure of executive committee and council

The collective decision-making and responsibility-sharing structures of local governments have proved to be an obstruction in the path of effective planning and implementation of district development activities. Managing the diverse political and personal interests collectively is not an easy job for the executive head of the DDC, VDCs and Municipalities.

One of the problems of the current collective responsibility-sharing practice is a delay in making decisions. Review of decisions of local governments over the last couple of years shows that the cost of delay in making decisions is very high in terms of late decision, non-decisions, long discussion or compromising with basic norms and rules, breaking previously agreed planning decisions or unnecessarily modifying them. The existing composition of DDCs may perpetuate patron-client problems. "District level appears too fragmented to be an effective intermediate government" (ibid: 17).

All these factors have been hampering the effectiveness and efficiency of local governments. The 'realpolitik' is very different than the 'formal politics' (Flyvbjerg 1998: 233) and it is extremely difficult to manage within the existing framework of local governments.

Moreover, the number of members, especially in the District Council, is too large. As a result, it is losing its effectiveness because discussing things in big gatherings is nearly impossible. Moreover, the cost of the meeting is also very high which drains the limited revenue base of local governments through meeting allowances, remuneration, other direct and indirect incentives and facilities. The Local Bodies Fiscal Commission (2001) estimates that a minimum of NRs. 225 million (per year) are spent on remuneration and meeting allowances for elected officials by local governments.

The case of District Council: creditability and visioning – conflicting factors

The majority of the District Council members, as described above, consist of VDC Chair and Vice-Chair. These officials have very close contact and day-to-day interactive relationships with their voters. This is the level where needs emerge. However, VDCs have a very low level of resources and they are highly dependent on the upper level of government for financial resources. The District Council meeting is an opportunity for them to voice their concerns. Hence, the major concern in the District Council meeting is 'how to bring in more resources to the concerned VDC.' Bringing sectoral programmes related to agriculture and livestock is not easy when line agencies are entangled in their own centralised system and sectoral/technical supremacy. A point is made to wield informal and formal influence mostly through political parties and bureaucratic channels (through officials working at the DDC) and sectoral planning committee members.

It is evident from the review of District Council decisions that most of the approved projects and programmes are small and dispersed narrowly addressing the demands of the Council members. This might be justifiable on distributive and equity grounds but the function and responsibility of the District Council is not fully addressed. District level or regional level development challenges remain unaddressed, unfunded and or under-funded by the DDC.

Accountability of the key officials of local bodies

The upward accountability of district level planners and key professionals working at different levels of local bodies is a serious problem in the given policy context. The LDO and his/her assistants, Executive Officers of Municipalities, and VDC Secretaries are the key officials who drive the local bodies with managerial level authorities. However since they belong to the central level civil service and are accountable to the central level, not to the local bodies where they work (table 108).

Table 108: Officials deputed from the central level and their accountability positions in Nepal

Local bodies	Position	Grade	Central level agency
DDCs	LDO	Gazetted II Class	MLD
	Planning, Monitoring and Administrative Officer	Gazetted II Class	MLD
	Account Officer	Gazetted III Class	Financial Comptroller General's Office
Municipalities	Executive Officer	Gazetted I, II and III Class based on the category of the Municipality	MLD
VDCs	VDC Secretary	Non-Gazetted II and I Class	MLD

Source: MLD, 2003

The LSGA has a provision to prepare a separate act to organize a local level civil service separately in order to address the staffing problem. However, it has not materialized yet.

Another structural problem is the accountability of the elected officials at the district level. The DDC officials are elected indirectly (by elected members of Village and Municipal Council) and not directly by the people. Structurally, they are not directly accountable to the people, but are accountable to those who vote for them. To add to this, there is no legal provision of recalling elected officials of local bodies from any levels once they are elected for a five-year term. The absence of such a recall provision gives a loose sense of accountability.

The issue of inclusiveness

Including different ethnic and minority groups in the political-decision making process and striking a gender balance in local governance is another challenging issue. The LSGA has provisions to address this issue by nominating a few members of the backward communities (two including one woman) in the District Council and executive committee. However, this is not followed in most cases. This rules out any benefit from the legal provision in place. Hence, it is better to convert the existing 'reservation by nomination' concept into the electoral system which will prevent political biases and give more emphasis to democratic practices.

All these structural changes, however, are highly political and depend on political choices. How to strike a balance between efficiency and democratic norms and values are the central questions which have to be addressed during the restructuring process. Direct elections, a smaller number of representatives, and broad-based

inclusive political representation will strike a balance in the given context and the nature of the country's political economy and socio-cultural diversities.

The role of the DDC and its relationship with grassroots-level local governments

Going by the provision of the LSGA, all local governments are autonomous (DDCs, VDCs and Municipalities). They all have the same legal status. However, the role of the DDC, which is the intermediary level local government, overlaps with VDCs and Municipalities to a large extent. The DDC has to implement its plan and programmes in the territory of VDCs and Municipalities. This makes the issue a very complicated one.

Ideally speaking, the DDC's role and planning scope are higher than lower levels of local bodies. However, in practice, the development activities of the DDC, line agencies, VDCs and Municipalities are not very different in scope, nature and size (see table 25). Sometimes this situation gives the impression that all these agencies are competing with each other. The DDCs have the implicit mandate to take up the role of VDCs and Municipalities when it comes to planning and coordinating development activities. However, the district plans, programmes and policies are to be approved by the District Council. Thus, this issue is interwoven in such a way that complicates the decision-making and most obviously the execution process. Such overlapping and complicated decision-making process needs to be simplified from the perspective of execution or implementation.

Social composition and exclusion issues in general

Nepal is a very diverse country in terms of its physical features, ethnicity, culture, languages, social norms and values. It has a long tradition of social cohesiveness, and social rights are considered stronger than individual rights. These are the reasons why Nepalese society appears very competitive in managing multi-cultural and multi-ethnic affairs. This is both true and misleading, though.

It may not be misleading in reference to some parts of the country where people are relatively educated and live in accessible areas or urban centres, but it does become misleading in reference to the large swathe of remote and rural areas where cultural and ethnic diversity do exist and a majority of the people are illiterate and fall under the poverty line. These societies have maintained a very hierarchical basis. The caste system is one of the evidence of such social hierarchy in rural areas in particular.

The Nepalese planning and administrative system lacks multi-cultural considerations and competency, which has been directly or indirectly promoting inequality and social exclusion. These sociological realities have not found their way into the political, administrative or local planning practices in the country and the study district is no exception. The population composition from the point of view of ethnicity shows that majority of the population (more than one third) consist of *Tamangs* and *Lamas,* both of which are of Tibetan origin. However, that is not reflected in staff composition, at least of the local bodies: the DDC and municipalities. Nor is it reflected in beneficiaries groups getting benefit from district development plans and programmes, although reliable information is not available to prove this.

These realities are not considered in hiring of staff and designing any plans and programmes in order to make sure that benefit reaches each and every strata of the community.

Role of civil societies in addressing the social issues

Until the 1990s, the relationship between the state and the people was very limited due to the autocratic nature of regime. The *Panchayat* regime feared organizing and mobilizing the people at the grassroots level. The role of civil society is being increasingly recognised following the restoration of democracy in 1990, and the latest national policy and plans have accepted civil society as the important development partner. However, it could take time for the civil society to be effective at the local level.

From the increasing number of CBOs and their networks, cooperatives and local NGOs show that they are increasing year by year. The growing concern is how to link them with the local planning and governance system in a meaningful way. The participatory planning is one of the methods that brings all stakeholders, including civil society, into the mainstream of local development. However, political leadership needs to recognize these dimensions and needs to have an empathic attitude to this end. This does not mean that it is a one-sided game; the NGOs and the civil society also need to be more transparent and accountable to the people. This applies largely to those NGOs that have better access to the donors' resources and work in the district without proper coordination with local governments. It is estimated that NGOs also mobilize a significant amount of financial resources in the district, equal to the public fund – even greater in some cases (Kavre DDC's estimate, 2003). However, this is neither reflected in any public documents nor do they share the information with the partners, including local bodies.

Inability of the district plan to address inequality

While talking of lapses in planning and development programmes, what is evident is that the goals and objectives of the district plans are quite clearly devised. But what has been part of the problem is the lack of orientation towards equality concerns and the desegregation of targets and resources. Inequities have not been disaggregated into the various sections of the population. In poverty alleviation plans and programmes, for example, gender, ethnicity and the interests of marginalized groups not only under addressed but due attention is not given in the district plans by the DDC except in the VDP programmes as illustrated earlier. The projects and programmes which are proposed by people whose voices are usually not listened to are rarely implemented in reality.

As a result, many development efforts at the local level are not able to address poverty, which possibly contributes to the festering conflicts becoming more violent as it renders the poor section of the population more desperate.

True participation: the effective solution to the social and development problems

Participation as a development tool is restricted to the use of this development administration jargon and a mere procedural formality. But empowerment of all segments of people through equal and true participation in governance activities is the solution to social and development problems of the district. Participation has to be

seen in the light of the reality that it is people's fundamental and democratic right to participate in governance activities. Therefore, participation needs to be a condition from the very beginning of the planning exercise.

Meanwhile, a good example of how participation is a holistic approach becomes evident from what the people have achieved by organising themselves as Forest Users' Groups (FUGs) in Nepal. The FUGs have shown democratic values and gender sensitivity in their organizational structure and subsequently in their actions, as well. Many studies have shown that when people participate in a true sense, it makes development activities more effective and less costly. From the point of view of sustainability, participation is even more important. In this context, local governments have to evolve out of the narrow definition of participation as 'counterpart contributions,' mostly in voluntary labour, which reduce the costs of development. Participation is something more, which entails democratic values, fundamental rights and a reflection of the sovereignty exercise as discussed above.

8.8   Emerging socio-political phenomena and district planning

Disparity within the district: growing challenges

The majority of the population in the district is scattered among very small villages and hamlets. The highly dispersed section of the rural population has remained almost unattended by the state. This is partly because of the elite capturing the benefits. The cost of services in these scattered settlements is extremely high and thus the availability of such facilities is generally very low. As a result, many rural areas and settlements, especially in the southern (11-12 VDCs) and the far eastern part of the district (17 VDCs), lack even basic infrastructure and services which are a must to promote growth, transformation and integration of their territory (figure 44 and 45).

Figure 44: The distribution of health services and accessibility situation, Kavre
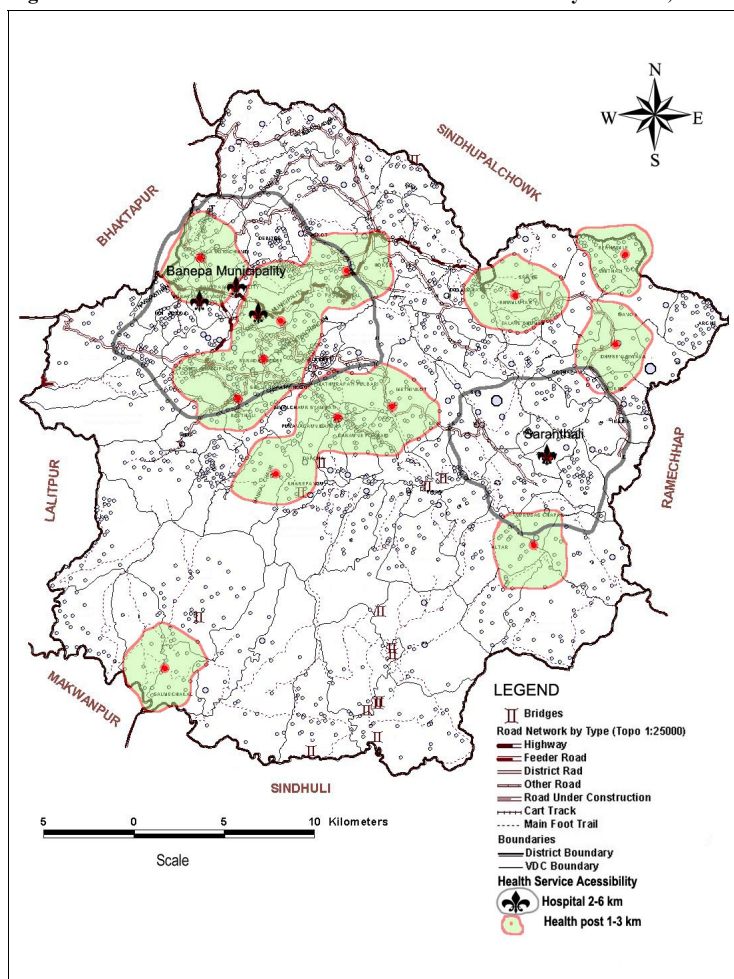
Source: DDC Kavre, 2001

Figure 45 shows the distribution situation of higher educational institutions and their accessibility. These institutions are concentrated only in the urban areas (northern parts) of the district, as indicated in the map.

Figure 45: Population distribution and accessibility of educational institutions
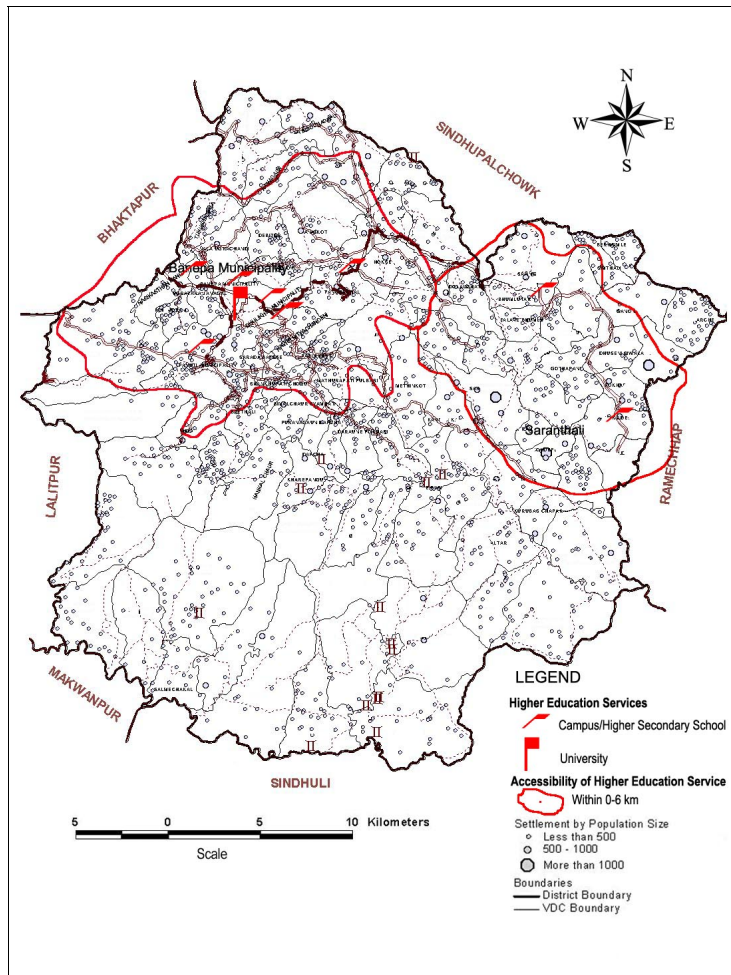
Source: DDC Kavre, 2001

Distribution of social and physical infrastructure and the service delivery situation have been discussed in an earlier section (see chapter 7.2 for details).

Conflict and its implications: challenges to planners and local governments

Kavre district also quickly turned into one of the highly conflict-affected districts of Nepal, which was not heavily affected until 2001-2002. The following are some of the district-specific implications of increasing armed conflicts that have badly affected the decentralised local governance practices:

1. Accelerated internal displacement of people (migration to towns and other countries),
2. The link between the government institutions and the grassroots has gone missing in the far eastern and southern VDCs,
3. Creation of an atmosphere of mistrust in the society leading to weak social cohesion,
4. Destruction of the infrastructure and immense socio-economic loss in the already poor areas, thus further degrading the life of the people,
5. Interruption in the decentralisation process and participatory planning in particular,
6. Forced discontinuation of many donors' and I/NGOs' programme in many VDCs,
7. Centralisation of public goods and services in the district headquarters,
8. Civil administration rendered defunct and militarization accelerated.
9. Serious violations of basic human rights and conflict heading towards virtual civil war.

The local NGOs and CBOs are still relatively active in accessible areas of Kavre compared to other places, notwithstanding the loss of trust and crumbling of the social network in the VDCs where the social mobilization process is underway. The local partners have been somehow or other carrying out the local development activities. In remote VDCs, development activities are badly hit. In these areas, the distance between district level development agencies and general citizens have broken down linkages. The VDCs in these areas are virtually dysfunctional. All these factors have almost led to the collapse of the newly established decentralised local governance at the village level.

Almost all government institutions have pulled out of the sub-district and village levels. This means the government does not have any representation in the rural areas except, of course, public schools which, too, are mostly closed, with teachers and students being frequently abducted. Inaccessibility to the remote VDCs has created difficulties for planning and monitoring, and the benefits of development activities are concentrated in certain urban centres. This kind of situation is further degrading the ground reality around equity.

Internal displacement: serious challenges to planners

Internal displacement has a number of fairly obvious economic and social implications not limited to Kavre district, but to the region and entire country as well. One of the main implications is the pressure that the growing number of migrants are placing on the limited infrastructure of urban centres and Municipalities (Panauti, Dhulikhel and Banepa). The population growth rate due to in-migration in some Municipalities is more than 7 to 10 percent, thus throwing up huge challenges for local governance in the urban areas. Basic infrastructure and utility services such as roads, water supply, sanitation, waste management and housing are already inade-

quate in the urban areas and likely to become more overstretched and scarce in the coming years. Key basic social services, particularly health and education, are coming under a similar crisis. These negative implications of displacement and urbanisation are perhaps the most obvious even as there is a heavy loss of life and property.

In-migration in urban areas, however, may have some positive implications also if tackled properly by the planners and authorities in the given socio-economic context of the district, where less than 15 percent of population lives in urban centres and rural settlements are scattered, creating difficulties in service delivery. Growing urban areas, for example, provide growing markets for rural production and hence may ease the basic service delivery process with increased efficiency. A growing degree of camaraderie among the members of different castes and creed in urban settings may be considered a blessing in disguise and could be taken as a positive factor in the long run. All these aspects have been in the meantime adding to the challenges of district and urban planners in geometric progression.

9. Power and participation as determinants of planning and local democracy: creation of new knowledge

First part of this chapter offers a summary of the key findings (empirical evidences) in response to the research assumptions and questions posed in the study with the theoretical reference. The second part focuses on the key determinants of power and participation by 'confronting with a formalized body of knowledge in the form of constructs or theories' (Miles and Huberman 1994: 9) with reference to the case specific context of Nepal.

Thus the ultimate aim of this chapter is building a thematic discussion based on a logical chain of issues encountered during the course of study and making the discussion conceptually/theoretically coherent (ibid: 246).

9.1 Summary of key findings of the study

Throughout the study, the issues of participation and decentralisation came up as overarching themes associated with theories of political sciences, specifically power.

Following the worldwide practices of political and administrative reform, Nepal also initiated the decentralisation process – trying to shift power from the top to the bottom and sharing it with stakeholders. However, deep-rooted centralised attitudes and the inimical behaviour of policymakers, including bureaucrats and the political establishment, prevented the process of decentralisation and participation from becoming effective. Decentralisation has been a long-discussed polity agenda and not a policy phenomenon.

The nature of policy 'decentralisation' is a crosscutting issue and hence involves multi-stakeholders. It is a very political issue and is directly linked with the positioning of power. The policy improvements need political will, strong commitment and political stability. They involve a series of dialogues, coordination activities and are also very much a time-consuming process.

Therefore in spite of there being increasing interest in decentralisation, the progress has been rather slow and problematic. It is natural that problems are inevitable in such a power-shifting process. While decentralisation is on a positive track, it is taking time to firm up and demonstrate its complete picture in the right light. This does not mean that decentralisation has not brought any positive impacts to the country so far. There are many positive signs already evident, but the pace is not as fast and smooth as expected during the design phase.

Based on the findings, figure 46 summarises the most critical areas of decentralisation, participation, district planning and implementation with their inter-linkages.

Figure 46: Key areas of decentralisation, participation, district planning and implementation
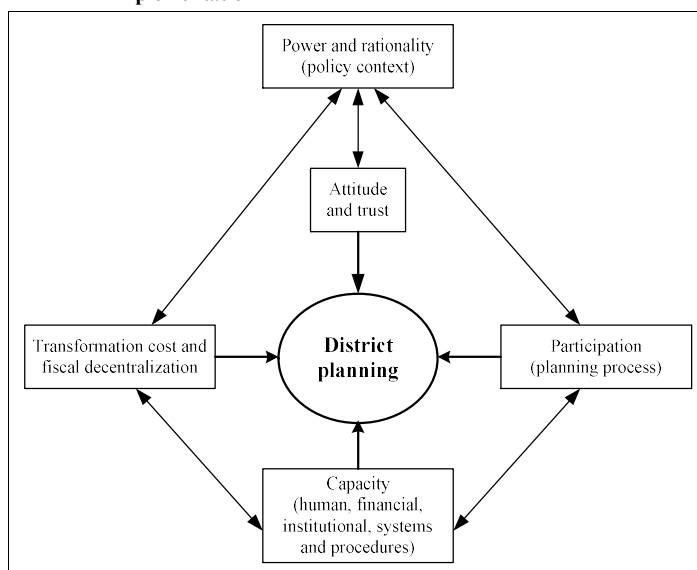
Figure 46 illustrates that power and rationality compete with each other in the policy context. The dominant centralised attitude and untrusting mindset of policy-makers complicates the power sharing process and rationality. Further, the attitude and untrusting behaviour may play a regressive role and create a situation prone to re-centralisation. These factors adversely affect participation and limit fiscal decentralisation. On the other side, the capacity of local governments and local institutions is also critical to effective decentralisation and participatory district planning.

Decentralisation as a means can have multiple effects

Decentralisation as a strategy can have multiple effects at different levels if designed properly and implemented in true spirit. It has to be customized based on the political, historical, social and cultural realities of the country. Donors' support is vital if the decentralisation process is to become a success story. But there are also chances of incompatibility which may lead to political, historic, social and cultural consequences. Decentralisation has to be led by internal realities as driving forces, and mastered by national experts, policy-makers and political leaders.

In the case of Nepal, decentralisation can help restore the lost credibility of the state in delivering goods and services through an increased level of decentralised functions. It has a high potential of instilling democracy at the local level. It can restore the community's self-help initiatives, mobilize local intelligence, develop

local leadership and restore decreasing indigenous knowledge. These factors create a high level of ownership in local development activities which lead to sustainable development and prosperous local governance.

Empowered participation strengthens decentralisation and local democracy

Decentralisation does not bring effectiveness and efficiency without considering the social structure, attitude and cultural aspects of officials involved in dealing with decentralised functions. It may not bring positive results if the empowered participation of citizens is not equally considered and truly implemented through appropriate mechanisms at the local government level. Decentralisation may also become prone to elite capture and may increase discrimination and conflict. Therefore, social empowerment and empowered participation are critical for the successes of decentralisation, district planning and implementation.

Devolution is a process of creating or strengthening government and bringing it close to the people to create opportunities and offer avenues for empowered participation. Social mobilization is found to be a very practical strategy to bring stakeholders, particularly the citizens, into governance activities, with their inherent strengths, dignity and stake. The devolution process (shifting power from the centre to the local government's level) and social empowerment (generating power from the community) have to be equally considered in designing decentralisation and practicing a decentralised policy framework. The first creates democratic institutional avenues (local governments), while the second creates the environment for empowered participation. Both together ensure success in local governance.

The shifting of power on an institutional basis (from central to local governments) without increased citizen participation (inclusionary to all segments of community) and without clear accountability mechanisms is likely to increase dependency in the local community on the government institutions, and reward elite culture. There is a high chance of promoting social hierarchy in the society in a country like Nepal which may lead to social conflicts in the long run.

Inclusive participatory planning promotes local democracy

Participatory district planning becomes effective and functional when the true participation of all key stakeholders is encouraged, facilitated and institutionalized at the local level close to the people. Local communities and other stakeholders can play a crucial role in institutionalizing the power generated through dialogue and discussion (rational power), which will ensure that the local government responds to their needs in an accountable manner. They can do this effectively by participating in the planning, implementation, monitoring and evaluation of development activities affecting their lives.

Participatory planning inclusive of all segments of society and local stakeholders generates strong rationality power and makes local governments more responsive and accountable to the local people, thus helping to strengthen local democracy. Civil society organizations and community-based organizations are instrumental in promoting participatory development specifically in a country like Nepal where a centralised culture prevails and democratic and participatory approaches have not yet become part of the culture, let alone come into effective enforcement. Civil

society organizations help to break the elite capture in local governance systems. Transparency in decision-making makes the difference in promoting a participatory local governance system. Participation in the planning process is a must if implementation is to be successful. It leaves consensus as the basis for successful implementation and avoids controversy or bottlenecks in the implementation stage.

It is obvious that the stakeholders participate in planning and development activities when there is some specific and tangible interest for them. Actual participation of grassroots stakeholders in local government processes, including planning, depends on many factors.

First, the system of representation in the different levels of government and the electoral system provides the main avenue for citizen participation. Second, if an avenue is available in the legal framework of local government – how is it enabling the framework? Such a framework includes the freedom of assembly, speech and media that make it possible for citizens to organize, get information and project their ideas and views. The right and easy access to information about government processes is of particular importance in assuring transparency and accountability to local people. Third is the attitude and behaviour of responsible officials and authorities towards participation. Fourth is the degree of political decentralisation which offers rights to participate, avenues to participate and other opportunities. Fifth, how participation is understood by local governments and stakeholders and how it is practiced in reality.

Capacity is critical to democratic local governance

The first and foremost challenge for effective decentralisation and local governance is the weak capability of local bodies. Local autonomy is greatly restricted by a weak absorbing capacity and dependence on central transfers. In this context, local government institutions need technical support for mobilizing internal resources.

The weak capacity of the local governments has meanwhile ruled out any chance of benefits from the decentralisation train as envisioned in the policy and legal frameworks. This was evident in many instances in the case districts as discussed in different chapters. The implementation gaps (five indicators) and related issues reconfirm that the overall capacity of the Kavre DDC is weak.

However, problems lie not only in the weak capacity of local governments but also in the low level of awareness and organizing capacity of citizens. "Creation of opportunities for direct self-governance does not imply that citizens will imbibe capacities necessary to utilize them, neither does it mean that they will actually participate; some may not know and others may know but not care to join" (Grinc 1994 in Fung 2004: 74). Capable citizens and local partners (CBOs, local NGOs and other civil society organizations) make locally elected representatives more responsive, transparent and accountable towards their constituents, thus promoting local democracy.

It came out very clearly during the focus group discussions that socially and economically marginalized people have problems in understanding and following what exactly is going on in their neighbourhood. Secondly, if they participate, their views are rarely considered during the discussion and public gatherings. Thirdly, they have pressing problems of daily livelihood and thus cannot afford to participate until and unless they get instant direct benefits. Boosting awareness and capacity and promot-

ing meaningful participation of all sections of the community in governance activities is a crucial element and a regular agenda of local governance reform.

The government, however, has not taken any significant initiatives to develop the capacity of local institutions. MLD has the explicit mandate for it; however, efforts are on a piecemeal basis having no significant impacts.

Absence of elected officials in local bodies adversely affects the effectiveness of local governance

It stands independently confirmed from multiple chains of evidence that the absence of elected officials in the local bodies has adversely affected the capacity of internal resource generation, expenditure and the overall pace of district development activities.

The period following mid-July, 2002 saw what can be called missing government. Government suddenly disappeared then from the villages. This can of course be attributed to the expiry of terms of the elected office bearers, thus badly hitting basic service delivery in the rural areas. It has snapped the link between communities and the district level governments which were demystifying the conflict at the local level. Their absence helped to accelerate conflict in rural areas. People are left without basic services, with ruined infrastructure and almost no representation of the government. The recentralisation widened the gaps between rural areas and urban centres as well as between rich and poor.

Limited fiscal decentralisation and other critical issues hinder decentralisation

There is still a strong domination of a centralised mindset in Nepal and decentralisation is rather limited in reality. However, whatever has been decentralised from the central level, has yet to be properly institutionalized at the district level.

A clear delineation of tasks among the different levels of government is crucial for effective fiscal decentralisation. Fiscal decentralisation enables the overall decentralisation to function, but is very limited and weak in Nepal. The tasks and responsibilities overlap both at vertical and horizontal levels. Revenue assignments are not directly linked with assigned tasks and responsibilities. Over-dependency of local bodies on the central level for human and financial resources hinders the overall devolution process.

The legal framework itself cannot introduce the benefits of decentralisation and improve the local governance when its implementation is weak. It needs effective fiscal decentralisation, a change in attitude of responsible authorities, improvement in the overall organizational set-up and working procedure, strengthening of the capacity of local bodies, and reform of democratic institutions including political parties (intra-party democracy).

There are further gaps in implementation in terms of the five indicators assessed (achievements, beneficiaries, budget, revenue, time). The causal factors of gaps clearly indicate the ineffectiveness of decentralisation and participation in district planning. These gaps and associated critical issues also clearly show that district planning is not effective enough (see chapter 8.6 for details).

The critical issues are not seriously considered in policy, planning and management of development activities by the concerned district and central level authorities.

Unclear accountability and the fugitive nature of officials affects local democracy

Being a statutory requirement of a democratic system, the accountability factor has to be part of democratic custom and behaviour. It is normally established through the electoral process and other regular institutional mechanisms. An accountability system generally carries with its rules, procedures and due processes of consultation and evaluation.

One of the presumed benefits of decentralisation and power-sharing is effective accountability. However, in the local government context of Nepal, the accountability mechanism is not clear and effective. In fact, it has not been clearly defined in the LSGA. Collective decision-making and shared responsibility complicate the issue of accountability of the elected representatives of the DDC. The same applies to the VDCs and Municipalities.

Indirect election procedures of the DDC officials diminish the democratic spirit of accountable local government. The key planners and development workers are clearly accountable to the central level and thus further weaken the local democratic practices. This gives them enough space to dodge obligations and thus not be held accountable to the local government.

One of the main reasons for weak accountability in the case district is the high resource dependency on the central level. Adequate fiscal resources generated locally create obligations among officials and force them to be transparent and accountable to tax payers. Resource inadequacy and forced high dependency on the central level promotes central control, limiting local autonomy, weakening transparency and local accountability.

Parallel structures hamper decentralised local governance

The case study confirms that the long-centralised tradition, weak conceptual understanding and power playing at the central level have culminated in the continued use of parallel modalities of decentralisation in Nepal even after the restoration of the multi-party system in 1990.

This has created a parallel institution set-up from the centre to the grassroots through line agencies that duplicate similar functions at different levels. It has further complicated responsibilities and created dualities in the accountability mechanism, brought complexity to coordination at district and central levels, pushed the entire process into a state of poor performance in implementation of plans, and ultimately made decentralisation ineffective in bringing about positive results.

There is a danger if the decentralisation or power shifting process takes place through different levels of government or institutions. In this case, decentralised power might be absorbed by an intermediate level of government and that level might try to create power centres instead of trickling down the power (see the section discussing size and number of projects under chapter 8.6 and 8.7)

Vibrancy of democratic institutions at the local level

Institutional and social fabrics are very vibrant at the local level. Local government units, VDCs in particular, are highly respected by the local communities. Although

there are some critical areas to improve, local communities strongly believe that the elected representatives better advocate and reflect the community's needs in the district plan than any agencies do.

After the expiration of the terms of office of the democratically elected local bodies, the government had in 2002 decided not to extend the term of office of elected representatives but instead started nominating political appointees to the posts. However, the legitimacy of nominated political appointees was found missing, and the people feel that outgoing elected officials are still their representatives. The people have strong faith in local bodies as democratic institutions at local level. While they respect the outgoing representatives as much as they repose faith in local bodies, they do not have any respect for those who have been politically appointed in the subsequent phase. Many of the outgoing elected officials are quite active in their own way and still feel responsible and accountable to local communities.

Thus the institutional vibrancy and community's loyalty to democratic institutions at the local level are found very strong in the case district. This is a very positive factor for successful local democratic governance. But such vibrancy may not last long. It may get weaker if local elections do not take place within the next 1-2 years. This is to say the popular base and image of local bodies might be lost over time and space.

9.2   Power and participation: challenges for local democracy

This sub-chapter consolidates the findings of the study into a few propositions with a view to evolving a theoretical sketch. It is an attempt to contribute to the existing body of scientific knowledge on the subject.

Participatory planning and representative democracy do not go together easily

The case study shows that participation and representative democracy do not blend well in the context of district development planning and implementation. It is found that managing participatory planning within the existing legal framework and structure of local bodies in Nepal is a very challenging task. As part of the legal provision, participatory planning has been practiced for the last five years, but it is not inclusive enough either at the district level or even at the village level. It is in some way or other degenerating into an elite-dominated idea in recent years, since local stakeholders are getting less and less motivated when it comes to participating in the participatory planning process.

Participatory planning generates rationality power, thus minimizing the discretion power of the executive chief of the local bodies, the DDC in particular in the context of the study. Elected representatives are deemed to be open-minded and willing to adopt a collaborative approach toward planning, if they want to respect the collective decisions of the stakeholders. If they do not, logically designed bottom-up planning will remain wishful thinking as long as the political leaders and development professionals do not respect its true spirit. Therefore, institutionalizing a participatory planning process is a crucial task in the given decentralisation policy, institutional and representative democratic framework.

The study reconfirms the statement of Catanese who says "Participation, the very essence of a representative form of democracy, is a dilemma in reality" (Catanese

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1984: 121). "Those who have been once intoxicated with power, and have derived any kind of emolument from it, […], can never willingly abandon it" (ibid: 57).

Power, participation and rationality: how they interact and maintain relationships

Generally speaking, the rationality power generated through the sharing of stake-holders' visions collectively, and the decision maker's discretionary power generated through law have antagonistic relationships (figure 47). Once the level of partici-pation increases, it produces the increased level of rationality power. But at the same time it reduces the power of the executive (and vice versa) because increased ration-ality attempts to share more power. It reflects the proposition of Flyvbjerg, as he notes: "The greater the power, the less the rationality" (Flyvbjerg 1998: 229).

Figure 47: Relationship between power, participation and rationality
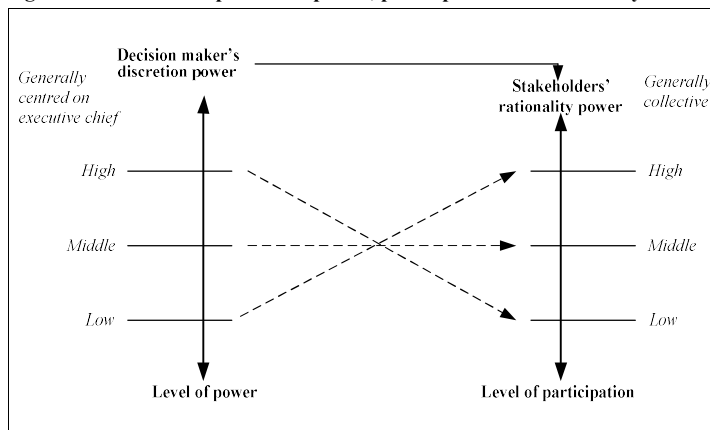
Source: Author's construct, 2004

As illustrated in figure 47, discretion and legal power on the one side and rationality on the other produce power even as both are interrelated. They have an 'asymmet-rical' relationship, as Flyvbjerg (1998) claims. Mostly, the position of both powers is at different poles, but not on equal footing as shown in figure 47. The rationality-generated power is weaker than the other, and "power has a clear tendency to domi-nate rationality" (ibid: 234). Rationality being highly context-dependent, these posi-tions might be frequently changed.

Referring to the conceptual discussion between the two possible conditions of 'rationality serving power' or 'power serving rationality,' the key questions in the context of power, participation and democracy. In the case study, it is evident that 'power serving rationality' in the participatory planning context produces more social integration and thus brings less social and political conflicts in the diverse community. However, at another pole, 'rationality serving power' creates more social and political fragmentation with a higher chance of exclusion in district plan-

ning, adversely affecting implementation of the district plan and diminishing the effectiveness of decentralisation. This threats to local democratic practices and may drive towards more serious conflict in the long-term.

Balancing two giant factors in district planning and management: The Nepalese context

How to balance the two power poles (figure 47) is a challenge for democratic local government. Less power of political leaders (executives) at the decision-making level and more participation and rationality is the ideal situation. In fact, in this situation leaders do not lose power, but gain more public support, increased legitimacy and more popularity. Decision-makers (executive chiefs) do not need to fear that they will lose their supporters. They may lose the support of vested interest groups, but in turn, get an increased level of general citizen's support which is more long-lasting in their political career.

However, it seems that it is difficult to put this ideal into practice in the short run. If anyone is to expect success from it, the attitude of leadership has to be changed from a centralised to a more open, democratic, inclusionary and participatory one. This takes time and cannot be done overnight. This applies to both: central and local levels.

Power tends to exclude minority groups in the early stage of democracy

In the early stage of democratic practice, democratic institutions are likely to be elite-dominated, and power tends to be captured by these elite groups offering democratic flavour in the practice. However, the centralised tendency of democratic institutions (local bodies and political parties) while practicing a decentralised policy framework and exclusion of social or cultural groups may erode the legitimacy of the leadership and the entire governance system in the long-run. It may also create division in the society even leading to violence.

In his recently conducted study Lawoti (2004) finds that the overall impact of Nepali polity is exclusionary. He notes: "Nepali polity lies in the majoritarian corner; it is not inclusive." Also, individual institutions are not inclusive (even though some shared power under the multi-party system) since all major parties are controlled by certain castes from the hill regions who are Hindus and from elite groups, even as much of it is in the hands of males. This rules out power-sharing among groups. Hence the conclusion of Lawoti shows that the "overall impact of the polity is exclusionary" (Lawoti 2004).

The current study does not intend to either prove or disprove the findings of Lawoti, but is related to it since it finds an exclusionary tendency in the context of participatory district planning, too.

Practice shapes the local democracy

What is done in practice is more important than what is being said in the formal political sphere (Ludwig von Rochau in Flyvbjerg 1998: 6) which is frequently referred to as *Realpolitik.* Real practice is more important in shaping democracy than 'formal politics' as Machiavelli says. Flyvbjerg (1998: 6) calls it *Realrationalität*.

Democratic principles and ideals are important, but the day-to-day behaviours and practices of officials, local leaders, authorities and people shape the local democracy. It is not the other way around. There is discord between the formal rules and actual practices in many cases. Double standards in behaviour and wider gaps between 'saying and doing' are a timeless challenge for local democracy in Nepal, as was evident in many instances during the study. The high-level resistance of central level institutions, especially technical ministries, to decentralizing functions despite the LSGA's provisions is one of the examples. At the district level, the gap between commitments made during the participatory planning at sub-district level and implementation make up some of the examples at this end. Decentralisation remained a long-standing agenda of political and administrative reform. There was a high degree of commitment in the speeches, but a dozen studies and mission reports were not translated into practice to improve the decentralisation process.

Referring to the case study of Kavre, the speech of the DDC President delivered at the District Council meeting in February 2002 (table 76) shows clear differences between 'saying and doing.' The speech clearly spells out that the district plan was prepared through a participatory process respecting the democratic values and citizen's rights, but the reality was found to be quite different in the light of the decision-making dimensions of the plan formulation. The President and DDC members are bound by different interests, political and social forces and their own career-related worries. In the early stage of democracy, vested interests, elite domination and political monopoly may influence decision-making more than the citizen's interests.

Power uses rationality to further strengthen power

The case study reconfirms Flyvbjerg's findings. It finds that power uses rationality as a strategy to further strengthen power, but largely ignores the sprit of rationality. Official documents and planning decisions of Kavre district show that the principles of participatory planning and the related legal provisions are perfectly followed. However, the reality is quite different once it is explored and examined in detail. Rationality has been used as a strategy to boost political power. Thus, this confirms Flyvbjerg's statement which runs "Rationalization presented as rationality is a principal strategy in the exercise of power" (Flyvbjerg 1998: 228).

Flyvbjerg (1998) explains the relationship between rationality and rationalization as a "'front-back' relationship. 'Up front' rationality dominates frequently, as rationalization is presented as rationality. The front is open to public scrutiny, but it is not the whole story and, typically, not even its more important part. Backstage, hidden from public view, it is power and rationalization which dominates" (ibid: 228). The hidden 'back stage' creates challenges to democratic culture.

Decentralisation is prone to recentralisation in the early stage of democracy

Power-sharing is a very difficult process and normally nobody wants to lose power. It is further complicated when a country has a long history of an authoritarian or centralised system. When a decentralisation process is adopted, and once power is shifted from one level to another or to another organization, then it might be held by the next tier where power is decentralised. This may happen quite frequently in the

early stage of the decentralisation process. In the case of Nepal, the phenomenon of Kavre DDC being a more centralised institution is a cogent example. Advocacy for more decentralisation from the centre has always been the slogan in the DDC and the District Council meeting. But the DDC itself has failed to decentralise power to VDCs and other institutions, and builds its own image as a centralised institution. The fact that practice shapes local democracy applies in this specific case, too.

Hence there are always chances of recentralisation, as bureaucratic resistance remains unabated. Weak local capacity can be one of the timeless reasons and good excuses for central level bureaucracy to insist on recentralisation. Incompetent bureaucracy generally does not favour decentralisation; it perceives decentralisation as a threat. This explains why the bureaucracy resists anything which comes towards it in the implementation stage of a political decision, including the implementation of the LSGA as a case in point. The Act was passed amid resistance from technical ministries while the political parties were highly motivated from their own standpoint. In the early stage of decentralisation, visionary and proactive political decisions can break through bureaucratic resistance against decentralisation.

10.   Summary of recommendations

Devolution of political power with resources and effective use of decentralised authority by sharing with a broad spectrum of stakeholders are the foundations of local democracy and local governance. Sharing of power encourages true participation and makes participatory democracy functional at the local level. It further benefits the people by bringing an opportunity whereby they can exercise their sovereign rights in the real sense.

The decentralised system makes it possible to improve the effectiveness and efficiency of the public sector in the long run, and sustain the results of development intervention with high community ownership. It can eventually lead to improvement in the quality of life.

The following are the recommendations based on the findings of the study. These recommendations are expected to contribute to further improving the decentralisation framework and practice once the current turbulent situation in the country gives way to normalcy. The recommendations are divided into two different sections; policy recommendations and district-focused recommendations.

10.1   Policy recommendations

Decentralisation takes time to be internalised and bring positive effects

Nepal's long history with a highly centralised system has never given an opportunity for decentralisation to take firm root in the politico-administrative sphere. Decentralisation never became an essential element of the successive government's policy and programme in the years before 1990. The attempts made in the *Panchayat* era (1960-1989) were very limited and focused only on administrative aspects.

It is too early to measure the policy impact of policy shift and particularly that of the LSGA. It could take a few years to internalize the decentralisation policy both at the centre and the local level. Decentralisation is an interactive, long-term and incremental process. Therefore, it may not bring discernible effects in the short run. It also may not become efficient and effective because of the shifting of responsibility and institutional adjustments.

Redefining central functions and reorienting central level bureaucracy

The commonly observed tendency of central level authorities is to decentralise the tasks of delivering public goods and services only after they have failed, and that they do on a piecemeal basis (e.g. primary education and primary health care).

There is no alternative to decentralizing the state functions in such a diverse and heterogeneous society. It is not wise to wait until centrally controlled programmes fail to deliver results at the local level.

It is equally important for the central bureaucracy to change its mindset and the political leadership at the central level to have trust in local institutions. In fact, decentralisation will not be successful unless the centralised mindset of responsible officials (particularly of the central bureaucracy) is changed. Changing the centralised mindset to a more open and democratic one is crucial when it comes to success-

ful decentralisation and rendering the local democracy functional. The central level bureaucracy needs strong orientation programmes on a regular basis. What is also a must is a clear action plan of activities which must be carried out in a decentralised manner and on a time-bound basis. Orientation and implementation of a result-oriented action plan will help change their mindset from centralised to more decentralised, open and democratic ways.

The development-related central level agencies should be made responsible for policy formulation, capacity development of local bodies and local institutions, supervising decentralised functions, mobilizing donors through local bodies and playing a coordinative role at the central level.

Reorienting Nepalese polity: the primacy of political will

Smoke (2003: 12) says that "One of the most ubiquitous claims about decentralisation is that the lack of political will is the greatest impediment to progress and the principal requirement for success. Although it is evident that political will – which may come from the central government or be forced on it by the people if pressures for democratisation are great – is important for decentralisation to succeed, it is not sufficient by itself."

Borah (2001) warns that "structures of decentralisation do not guarantee decentralised polity, because the so-called decentralised institutions can also act as agents of centralization where the national government remains the source of power. Therefore, it has to be thought of in terms of distribution of political and economic power across the whole spectrum of civil society. Decentralisation is a matter of political economy" (Borah 2001: 31).

The above two statements are quite reflective of the situation prevailing in Nepal. It is a fact that the government apparatus continues to be highly centralised and remote from popular concerns after the restoration of multi-party democracy in 1990 and the subsequent promulgation of new constitutional and legal frameworks. Access to information, public institutions and political power continues to remain monopolized within a narrow circle in a very traditional manner. Centralised, less transparent and less democratic internal procedures of political parties and the centralised attitude of senior leaders are responsible for not contributing much to the success of the decentralisation process and local democracy to a large extent. Hence a qualitative shift in Nepalese polity is needed to realize the objectives of pluralist democracy and decentralisation.

A comprehensive orientation programme and training packages on decentralisation, local governance, local democracy and local planning have to be developed and delivered to political leaders for their inspiration. Separate packages can be delivered to Members of Parliament to help them re-orient and bring conceptual clarity to better perform their roles and responsibilities. After the local election, all elected representatives should be given comprehensive orientation to make them aware of their rights, roles and responsibilities together with representatives of civil society. This requires coordinated efforts among local bodies, government, donor community, NGOs and training centres.

Focusing the role of associations of local bodies

The associations of local bodies (ADDC/N, MuAN, NAVIN) have an important role in institutionalizing decentralisation, developing the capacity of local bodies, policy

lobbying and mobilizing external resources through local bodies. Therefore, consistent pressure and political lobbying in favour of decentralisation and continuous subsequent efforts are necessary to instil decentralisation into the political, administrative and social system. These associations can play a pivotal role in these aspects. Furthermore, they can play a lead role in developing and delivering capacity development programmes in collaboration with central-level agencies and the donor community.

Decentralisation needs an integrated package of political, administrative and financial support

The decentralisation law alone cannot bring the desired effects; it needs an integrated package of political, administrative, and financial support. Decentralisation is a very political issue and thus needs political will, strong commitment, administrative reorientation and financial means. The LSGA is a very ambitious regime that assigns almost all local development responsibilities to local bodies. However, it does not assure the financial means to accomplish decentralised functions.

Therefore, decentralisation should be considered in a package combining three key aspects: functions, funds and functionaries (figure 48).

Figure 48: A complete package of decentralisation: devolution
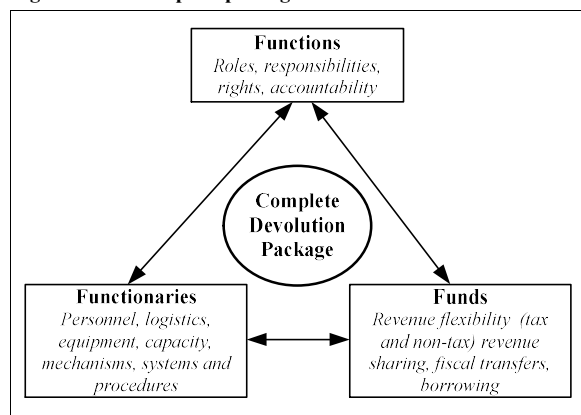
 Source: Author's construct, 2005

All local level line agencies have to be transferred to the DDC in order to break up the parallel organisation duplicating the functions, with full authority and necessary financing guarantees. The dual institutional set-up parallel to the local bodies has to end without delay in order to make decentralisation as successful as envisioned in the LSGA.

The central level may fear losing some power at the beginning. However, they will not lose but will instead gain legitimate power by being supportive to local bodies and being efficient in managing sectoral mandates in a very proactive manner (through local bodies) close to reality. The sectoral ministries should help local

bodies to build their capacity need to provide technical backstopping to them. Thus, transfer of roles, adequate finance and building adequate capacity should be part of a package of devolution.

The capacity of local bodies must be strengthened to make them able to exercise the decentralised functions

The planning, administrative and management capacity of the local bodies must be strengthened aggressively (with high priority) to be able to accomplish their increased functions and tap the opportunities offered by the decentralisation train. As discussed above, the central authority, generally doubt and blame the local bodies and local level agencies for their weak capacity and use this as good excuse to limit decentralisation rather than helping them to strengthen their capacities.

The central level has to take responsibility to render them strong, ready and capable of achieving the objectives of decentralisation. A comprehensive capacity-building programme involving line ministries, departments and associations of local bodies has to be developed. Regular technical and necessary financial support should be provided in a less instructive manner so that local autonomy takes root. Furthermore, the central level institutions have to have the responsibility of supervising local bodies on a result-based manner. Continuous policy monitoring, review and policy adjustment is enough for the central-level agencies.

Institutional mechanisms to enhance local accountability

The local election held every five years is the key accountability tool for elected local officials. But it is a very general mechanism. Apart from periodic elections, there are no other effective institutional mechanisms to ensure the important element of accountability. There is no provision to recall elected officials even with genuine reasons. Hence it is necessary to establish some institutional mechanisms to solve the accountability problem.
1. The indirect local election of the DDC should be replaced by direct election for stronger representation and direct accountability to the people. It reduces the pressure of indirect influences and prevents the executive heads from compromising for undue benefit to the interest groups. The direct election will give more power to executive heads and the current situation of 'no-decision' and 'slow decision' can be improved significantly.
2. Time is ripe to set up a local civil service system under a separate Act as envisioned in the LSGA to break the chain of upward accountability (towards central level) and make the members of the local bureaucracy responsible and accountable to the local government.
3. Institutional mechanisms like local ombudsman or independent review missions involving civil society could be effective in strengthening the accountability measures.

Reviewing the participatory planning process

Popular participation can be seen as a basic democratic right of the people and hence should be promoted in all local development activities. However, the participatory planning process currently practiced in Nepal as a legal obligation is too lengthy and time-consuming (takes 4 months). It has to be reviewed with a view to making it

shorter, efficient and more effective. It is not necessary to carry out this planning exercise every year; it could be done once every five years before the preparation of the District Periodic Plan (DPP) as a basic part of the DPP process. Because one has to follow this lengthy process every year, it has degenerated into a mere formality and a planning ritual. Worse, there is growing frustration among the people on this issue.

Instead of repeating the planning process every year along the same route, it is recommended to use the same timeframe and steps for monitoring and reviewing local development activities in a participatory manner. It will help make the implementation process more effective and efficient. The planning process outlined in the LSGA has to be reviewed in this light.

Making the size and structure of local bodies viable

The current size, territory and number of DDCs, VDCs and Municipalities have to be reviewed and adjusted based on scientific reasoning, planning perspectives and local government structures. The districts and village boundaries were created more than four decades ago merely from the standpoint of having administrative control and without taking into account local planning and local government structure. There have been many changes related to accessibility and other socio-economic indicators in subsequent years.

The structure of the District Council also has to be improved upon in two major aspects. First, the number of councillors should be reduced to make the District Council meetings more meaningful, functional and effective in the decision-taking process. Second, the VDC level officials should not have a majority in the District Council. However, it is important to have proper representation of VDCs. Therefore, during the election of DDC member at *Ilaka* level, a certain number of VDC officials can be elected to the District Council. These critical aspects are to be reviewed and re-adjusted from local governance perspectives. Given the socio-cultural heterogeneity of the country, the structure of local government should be more inclusive of *dalits*, women and ethnic groups.

10.2   District-focused recommendations

Improving the image and credibility of local level institutions

Comparatively speaking, the image of Kavre DDC is better in the eyes of the community than that of the line agencies. However, the DDC has not decentralised its functions to the appropriate levels. Its internal procedures are traditional, lengthy, bureaucratic and not people-friendly. Members of the community take it as a centralised and politically biased organization.

Being a democratic local government, the DDC has to be able to build the image that it protects the interests of the people and that it is fair and accountable to the people. It also has to prove that it is seriously intending to promote democratic values and cultures at the local level. This can be done in many practical ways. First, the DDC has to simplify its organisational structure and working procedures to make it more people-friendly. Second, the authority of implementation for small-sized projects should be decentralised to the concerned VDC and Municipalities so that implementation could be more effective and efficient.

Moreover, the DDC's decentralised mechanisms will enhance the access of common people and localized CBOs to the DDC's funds which will help improve the equality situation in district development. Some specialised projects can be implemented through line agencies for better technical inputs and quality assurance in implementation. Some can be contracted out to NGOs, cooperatives, CBOs and private sector organisations. Thus the DDC has to make use of alternative service delivery mechanisms.

Replicating successful development approaches

In recent years, the DDC has shown a tendency to be more open and keen to replicate best practices and successful development approaches in other parts of the district. One of the examples is the replication of the Village Development Programme (VDP) which has been replicated in quite a number of VDCs on the DDC's own initiative. Moreover, public/social audit and public hearing practices are becoming increasingly popular. Since these tools give opportunities to local bodies and public institutions to be more transparent and responsive to the people, they need to be promoted in earnest.

Special emphasis on poverty reduction and backward-area development

The DDC has realized that it needs to focus more on poverty-related programmes in the backward areas and not only in the periphery of the district headquarters. The DDC needs to prepare a package of action-oriented affirmative programmes in order to address the issue of unequal access of poor and disadvantages groups to the resources and services; a reasonable level of budget should be allocated for this package. The DDC's budgeting and programming trend in recent years shows slight improvements. While it can be seen as part of the positive changes, what is needed is more attention to funding poverty alleviation and specific targeted programmes. A special programme is needed for the development of far-eastern and southern VDCs in particular.

Effective local governance contributes to the wider goal of reducing the incidence of poverty in the rural areas. The alleviation of poverty should remain the fundamental component of the DDC. The poor have a latent strength that can be tapped by involving them in planning and managing income-generating projects. This should be carefully and continuously nurtured and supported. More strategic and innovative ways have to be applied to reach and develop the poorest groups.

Centrally supported poverty alleviation projects and programmes should be custom-based on local reality. Social and economic issues are to be addressed more strategically at the local level. Social mobilization, which generates social capital through community solidarity, savings and self-reliance, should be strengthened by further need-based training to enhance the community's knowledge and also broaden their vision. A better combination of awareness and training activities together with local development activities is necessary to sustain the development results. The DDC-Kavre needs to review its plans and programmes in these lights.

Redefining the role: the DDC as district local government, not as implementer

In most cases, DDC-Kavre has been functioning as a line agency thus competing with other agencies. The DDC needs to shift its focus from micro-project management functions to the broader role of district-level local government. Currently, the

DDC is not sufficiently focusing on the fundamental role as envisioned in the LSGA. This means the DDC must concentrate on the following key areas while other micro-activities are to be delegated to the appropriate level:

1. Policy maker at district level
2. Lead development agency at district level with a broader development vision
3. Service insurer with equity perspectives, not a sole service provider by itself
4. Development coordinator (both horizontal and vertical level)
5. Supervising, monitoring and evaluating agency
6. Promoter of democratic culture and values at district level

Implementing policies and making use of available planning tools

The district has a good gender policy in force, which is not the case with most of the districts. Add to it a very good database (district profile, poverty maps, resource maps, etc.) with a modern GIS facility. However, updating utilization of these planning tools are quite weak. The database is used more for decorative purposes and for marketing of the DDC than for meaningful planning. Hence the DDC has to pay proper attention to make use of such facilities to improve the quality of district planning. Furthermore, Kavre DDC has to link the annual district development plan with the district periodic plan (6-year plan) on an iterative basis.

Simplification and inclusiveness in planning practices

A new orientation is needed in participatory planning so that it makes sense not only for the rural elites but also for the majority of villagers. The currently practiced academic exercise and theoretical discussion cannot be effective at the village level where the majority of the people are illiterate and live in the midst of problems. They need a more practical planning dialogue, meetings with visual aids, and action-oriented planning sessions which can easily be linked with rural problems and be better understood by the rural people.

The hierarchy of caste and other sources of inequality have been profoundly affecting all aspects of public affairs including planning in such highly stratified societies. Traditional local elites tend to dominate the planning discussion and influence the decisions at all levels. Therefore, equity and 'centralisation of decentralisation' is a great concern in the realm of current district planning practices where decisions are taken at the corner of the district which is equally as far away as the capital city for poor and disadvantaged groups. The need is for more inclusive approaches and more decentralised decision-making practices so that the planning practices address the hydra of inequality in recognizing the social and cultural diversity of the society.

Increasing internal resources and fiscal autonomy

The DDC has not paid proper attention to boosting its own internal revenues yet. That can be done by exercising the power delegated to it under the LSGA. The Kavre-DDC falls even further below the average of DDCs in the country in terms of internal resource mobilisation. The internal revenue targets of the DDC are based on very pessimistic projections and hence need to be reassessed to find new revenue potential which will not only enhance its income to fund new projects but also give a boost to the element of fiscal autonomy.

Enhancing planning and management competency of planners and development workers

It is evident that the absorbing capacity of the DDC is weak and planning is carried out as a mere formality, while planners have low morale as there are wide gaps in implementation. One of the key reasons for the existing antagonistic relationship of planners with political representatives is the weak planning and management competency of the DDC officials. Their understanding of planning and capacity in making use of the database in planning are questionable. Their capacity together with that of the political representatives needs to be strengthened through on-the-job training programmes on a regular basis.

Currently, progress reviews are carried out merely as formalities while monitoring is also very weak. Conducting result-based monitoring and evaluation on a regular basis and not merely as formalities will help improve the quality of implementation of the district plan. The DDC can delegate or contract out monitoring and evaluation functions to an independent agency, which can involve representatives of the civil society. This alternative mechanism may help to reduce the implementation gaps found in the district. Hence the DDC and line agencies need to pay more attention to these aspects.

Promoting transparency and accountability in governance activities

Transparency and downward accountability is found to be very weak in the district level planning and decision-making process. Maintaining transparency could increase the accountability of district-level leaders and officials towards local people. The current mechanism of maintaining transparency through limited publication at the district level does not help much to keep the rural population informed given the mass illiteracy in the rural areas.

What is enumerated below could serve as the way out of the critical problem of the DDC's non-transparent decision-making procedures:

1. Allow the representative of the civil society organizations and media to observe the meeting of the planning committees, the DDC and that of the District Council.
2. Establish a practice of issuing a press release after completing the DDC meeting, highlighting major decisions of public interest, and publish the decisions on the DDC's bulletin and on the notice board for general public information.
3. Establish a mechanism to independently monitor the implementation status of the Citizen Charter on a regular basis and prepare and enforce a code of conduct for elected officials.
4. Share information regularly through regular public hearings, community meetings and through local radio to increase the level of understanding of public affairs of district institutions.
5. Make social or public audit mandatory after completing any development activities at the local level.
6. Design and deliver mass awareness programmes to promote broad-based participation (empowered participation) of civil society, disabled, poor, women, ethnic and minority groups. This will create a popular force for decentralisation and meaningful participation in governance activities.

Understanding development concepts and implementing accordingly

There are some good local development concepts re-adopted in the LSGA. These include the concept of users' committees, citizen participation, and participatory planning in particular. But these concepts are poorly conceived and badly implemented in the case district. Implementation of these concepts is further complicated by excessive control at the district and the central level. As a result, the nobility of local initiatives and participatory planning have been jeopardized.

The concepts themselves do not bring positive effects unless they are properly understood by the responsible officials and put into implementation accordingly. Capacity development programmes, regardless of whether they have been designed locally or supported by the central level, need to clarify these development concepts and implementation approaches. Moreover, the DDC and the central level may need to monitor these aspects as part of policy monitoring.

Collaborating with non-governmental development partners

As Kavre DDC is not effectively collaborating with non-governmental development partners (civil society, private sectors and others), it needs to broaden its vision and change its orientation to be able to stimulate non-governmental development partners and streamline their potential for local development. The DDC needs to pay proper attention to mobilizing their enormous development potential with a clear policy declaration and strategies that create mutual interests of public, private and civil society organizations. Some joint projects can be designed and implemented to test the trust in the society.

The recent amendment (second) in the Local Self-Governance Regulations related to provisions of joint committees opens the avenues for participatory tax administration at the local government level that needs to be used as an opportunity.[14]

The DDC and its partners are relying heavily on traditional service delivery mechanisms which are basically dominated by public sector organizations. The DDC needs to activate and make use of alternative service delivery mechanism through the private sector, NGOs, schools, cooperatives etc. This will help to cope with the new challenges thrown up by the conflict situation and will render local governance effective.

Increasing the effectiveness and efficiency of the district plan

The widening gaps clearly show that the district plan is not effective and efficient (see chapter 8.6). It is recommended that crucial determinants of a successful district plan are to be considered from the initial stage of district planning. This will lead to the district plan being effective in implementation, making a difference with good results.

A summary of determinants and a model of successful implementation of the district plan is shown in figure 49.

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[14] The second amendment of LSGR (2004) creates a District Level Revenue Consultative Committee to render advice to DDC and VDC. It is Chaired by the DDC President. The members include Secretary of the DDC (Member Secretary), representative of Inland Revenue Office, District President of the Chamber of Industry and Commerce and Chair of District Working Committee of the Federation of VDCs. The committee is responsible for reviewing and recommending tax rates to the DDC within the framework of LSGA and LSGR.

Figure 49: A model for successful implementation of the district plan
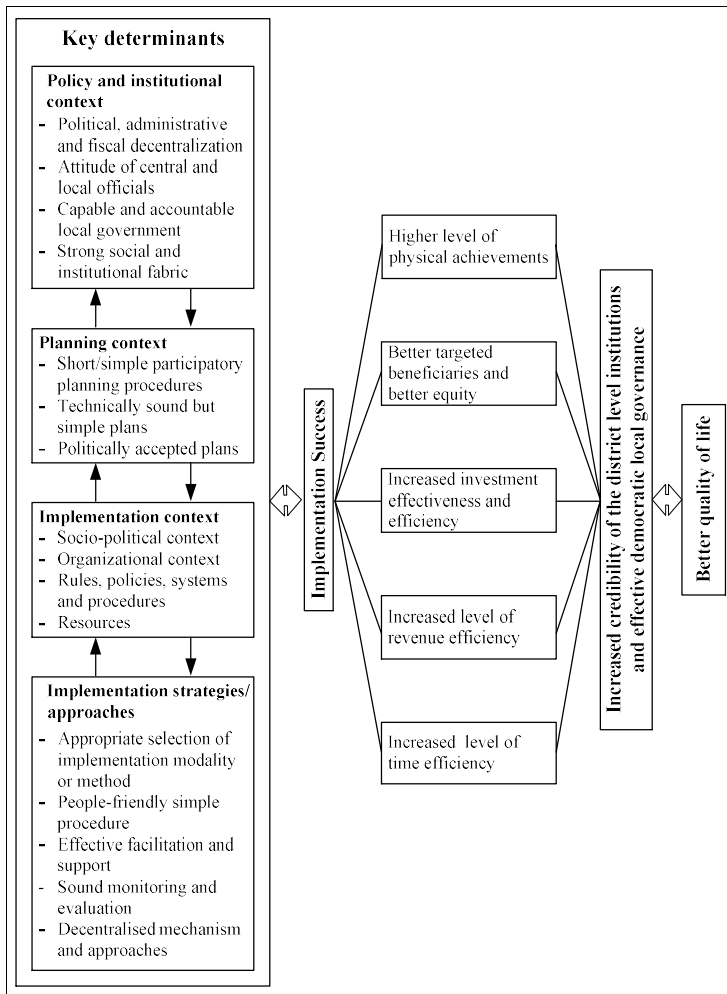
Source: Author's construct, 2004

As illustrated in figure 49, different contexts (policy and institutional, planning, implementation contexts and strategies and approaches) determine the success of the district plan from an implementation perspective.

Planning from the perspective of implementation to reduce the gaps

Participatory planning is a step toward greater interaction, greater democratization and integration of different ideas in development interventions. It generates hopes and expectations among beneficiaries and local partners. Therefore, planning should be on the right track to bring in expected results. In this context, the DDC has to pay special attention to the following aspects of district planning:

– Give more attention to situation analysis so that the reality can be assessed in an objective manner and the level of ambitiousness in the plan is realized and adjusted to.
– Formulate the district plans from the perspective of implantation in order to minimize the gaps between planning and implementation in the short and long run. In the context of reliable resource projection, more efforts to raise local revenue and planning based on available resources are important points to consider.
– Planning is neither about 'dreaming' nor a mere 'formality.' It is a premeditation process which has to be action-oriented.

These aspects have to be considered seriously in the district planning process, if authorities are to expect successful implementation.

Getting ready to manage the newly emerging challenges created by the conflict

The internal displacement of thousands of people, the high level of rural-urban migration, 'youth-less' rural society, deteriorating trust and social cohesion, wider gaps between rural and urban areas, fast changing land-use and occupational patterns, uneven income distribution, highly ambitious and frustrated youths are some of the growing challenges created by the overarching political conflict in the district. Local government, planners and development workers have to be ready to address these challenges on time. Regular and normal planning and development practices have failed to address the crucial issues so far. Joint efforts of the DDC, Municipalities, central level agencies and other development partners are needed to address these growing challenges.

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12. Appendices

Appendix 1: Country background: Nepal in a nutshell

General information

Nepal is located between latitude $26^0 22'$ to $30^0 27'$ North and longitude $80^0 4'$ to $88^0 12'$ East, and elevation ranges from 90 to 8,848 meters. The average length of the country is 885 km east to west and the average breadth is 193 km from north to south. The temperature and rainfall differ from place to place following the ecological diversity.

The country lies bordering the two most populous countries in the world, the People's Republic of China in the north, and the Republic of India in the south, east, and west. Nepal is a landlocked country with varying topography – mountain ranges in the north, hills in the middle, and plains in the south. It is host to the world's highest peak, Mount Everest (or Sagarmatha), which measures 8,848 meters high. The land area of Nepal is 147,181 sq. km.

Geographically, the country is divided into three regions; Mountain, Hill and Terai. Based on the area of districts these regions constitute 35, 42 and 23 percent of the total land area (figure 50).

Figure 50: Geographical map of Nepal
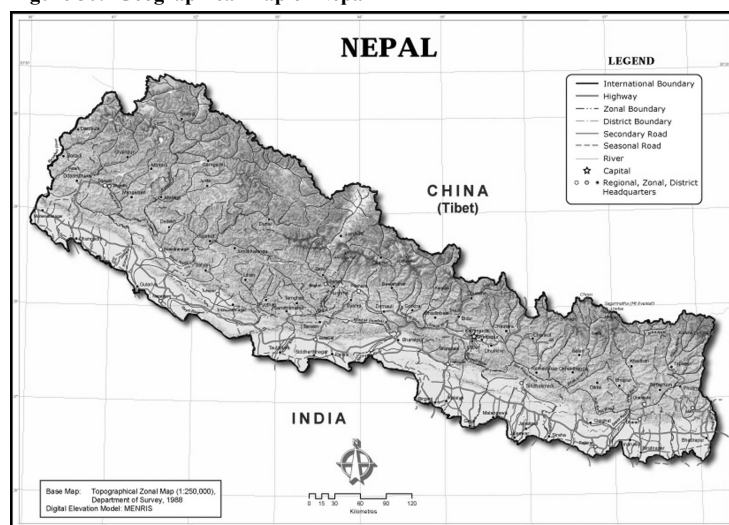
Source: ICIMOD, 2003

It is home to 23 million people and the total number of households is 4,253,220. Nepal's population is 49. 94 percent male and 50.06 percent female. More than 85 percent of the total population reside in the rural areas, while the rest live in the urban areas (CBS 2001).

Nepal is a multi-ethnic country composed of a number of groups and casts. Nepali is the official language. The majority of the population (80.06 percent) are Hindus, the rest are Buddhists (10.07 percent), Muslims (4.2 percent), Kiratis (3.6 percent) and others (0.09 percent). Annual population growth rate is 2.24. Population density per sq. km. is 156. Life expectancy at birth is 58.9 years (ibid).

The country is divided into five development regions and 75 administrative districts (figure 51). Districts are further divided into smaller units, called Village Development committee (VDC) and Municipalities, which are local government units at grassroots level.

Figure 51: Administrative map of Nepal
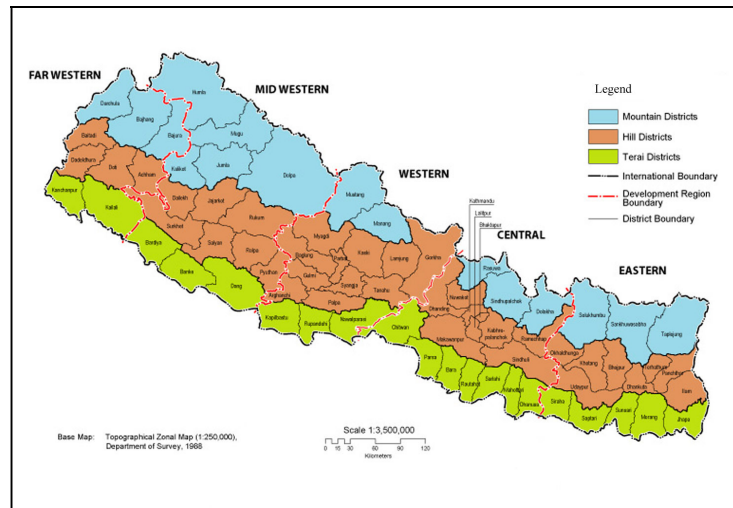
Source: ICIMOD, 2004

The economic situation

Nepal is one of the least developed countries in the world. The total Gross Domestic Product (GDP) of Nepal is US$ 5.5 billion and Gross National Income per capita is US$ 240. The economy is mainly based on agriculture, which provides employment to 80 percent of the population, and contributes about 41 percent of the gross domestic product (GDP). Other contributors to the GDP are services (37 percent) and industries (22 percent). The main agricultural products are rice, corn, wheat, sugarcane, root crops, milk, and water buffalo meat also contributes to the GDP (2002).

Exported textiles and carpets comprise 80 percent of the country's foreign exchange earnings, while the other exports like leather goods, jute goods and grain

make up the remaining 20 percent. Over 60 percent of the country's development budget and over 20 percent of its budgetary expenditures are supported by the international community through bilateral and multi-lateral support. Poverty impacted almost more than a quarter of the population (38 percent) in the 1990s. However, it is decreasing, but still affecting 30 percent of the total population (2004).

The political system

Constitutionally, the form of government is a parliamentary democracy and constitutional monarchy although it is not so at present. Nepal has practiced restored multi-party democracy from 1990 to 2002. The Nepalese form of government has two pillars: parliamentary democracy and constitutional monarchy. However, both pillars are being seriously threatened by the Maoist movement resulting in serious armed conflict since 1996.

The legislature has two chambers: the National Assembly (Rastriya Sabha) and House of Representatives (Pratinidhi Sabha). The National Assembly is composed of 60 members, divided as follows: 35 are appointed by the House of Representatives; 10 by the king; and 15 by an electoral college. One-third of the members go through elections every two years to serve for six years. On the other hand, the House of Representatives has 205 members elected by popular vote. Members of the House of Representatives are elected from 205 electoral constituencies distributed in 75 districts of the country. The elected Prime Minister heads the government.

Appendix 2:   Glossary: operational definitions

Caste and ethnic groups

Caste is a social group within the Hindu caste system. Ethnicity or nationality (*Jana-jati*) refers to a social group with its own mother tongue, native area and religious traditions. In other words, caste groups are vertically stratified by ritual status, while ethnic groups are horizontally distributed in space (Gurung 2003).

Collaboration

Exchanging information, modifying activities, sharing resources and enhancing the capacity of each other for mutual benefit and to achieve desired common goals.

Coordination

Exchanging information and modifying activities for mutual benefit.

Consensus

An ideal state in which all involved stakeholders unanimously agree to support the decisions.

Culture

Culture is an integrated pattern of human behaviour, symbols, values, and institutions that distinguishes one group from another. It refers to pattern of customs, socially acquired, shared and socially transmitted ideas, beliefs, values and traditions. It is an in-built personality of the society.

Dalit

People from so called untouchable castes in the Hindu caste system.

District

A district is an administrative unit or division with clear geographical boundaries, which has been used as planning unit at the sub-national level. These districts are political, administrative and planning and management units that include a number of VDCs and Municipalities. The District Development Committee (DDC) is the local government unit at district level. Front line services are delivered through district level agencies and these agencies are closely linked with the DDC.

District development planning and management

District development planning and management is an intervention mechanism designed to overcome problems and issues in a functional and territorial setting with regional perspectives. It is a planned and managed approach to achieving economic and social well-being for a pre-determined group of citizens and it is a continuous attempt to guide and monitor an ongoing process of change (adapted from the definition of Schall 1994: 9).

District Development Plan and district planning

The District Development Plan (DPP) is an integrated set of interventions (programmes, activities and strategies) designed to overcome development problems and to promote social and economic well being of local communities. District planning indicates the way or process of preparing the DPP.

Empowerment

The way individuals gain mastery over their own lives.

Grassroots

Communities at lowest level, near to the general citizen.

Ethnicity

A group classification in which members share a unique social and cultural heritage passed on over generations.

Implementation of the district plan

This is a process of putting the district plan into the reality in creating effects and outcomes that are envisioned in the plan document.

Implementation gaps

The gaps are degrees of effectiveness of implementation of the district plan. The gaps are assessed in this research as a departing point to further exploring critical issues of power, participation, decentralisation and district planning.

Local Government Units (LGU), Local Bodies (LB), Local Government (LG)

The terms - Local Bodies, Government Units (LGUs), Local Governments (LGs) are interchangeably used in this book to describe the local elected units of government – District Development Committee (DDC), Village Development Committee (VDC) and Municipalities (including Metropolitan City and Sub-Metropolitan Cities). The term 'Local Bodies' (LB) is used in Local Self-Governance Act to indicate these institutions. Local authorities are also used in some context to indicate these agencies.

Line agencies

Contrary to the local government, line agencies are the sectoral offices of central government (ministries/departments) working as de-concentrated units. These agencies are accountable to their supervisors at the regional or central level. The key feature is that major decision-making is carried out at the central level and these line agencies are not accountable to local bodies and local people.

Local administration

In Nepal, the term local administration is used to indicate general administration in the district headed by Chief District Officer (CDO), who is the employee of Ministry of Home Affairs. The primary task of local administration is to maintain law and

order in the district. The CDO also works as representative of Commission for Investigation of Abuse of Authority (CIAA) at the district level.

Legal frameworks

Legal frameworks are laws and policies at multiple levels – national/central to the local levels that operate interdependently and together and can be considered to constitute an overall 'framework' within which citizen and government action takes place (adapted from the definition of McGee et al. 2003: 12-13). This includes the constitution of the country, decentralisation related Acts and Regulations (LSGA and LSGR).

Method and methodology

A research tool or technique used to generate empirical material required to find an answer to research questions. Methodology is a set of methods and strategies that link the research with the underlying theoretical perspective and the epistemology and ontology of the research project.

Minority group

Subjugated, powerless, and/or oppressed segment of a society, which is singled out for unequal treatment and discrimination by the dominant segment of society.

NGOs

Non-governmental, non-profit and non-political organisations involved in voluntary work, social and development activities.

Networking

An established and functional relationship of stakeholders in which information is shared and used for mutual benefits.

Polity

A particular form of government that exists within a state or an institution.

Politics

Theory and practice of government; the theory and practice of forming and running organizations connected with government.

Power

The capacity to exercise control or use of authority. It also indicates the ability or capacity to perform or act effectively in an influential way.

Stakeholders

Anyone who has a stake in an effort, initiative, programme or activity.

Appendix 3: Functions of local bodies as assigned by LSGA, 1999

Functions or responsibilities	D D C	Munici- palities	V D C
1. Relating to physical development			
Plan formulation and implementation of land use	✓	✓	✓
Plan formulation and implementation of settlements and temporary/weekly market (Haat)	✓		
Residential area plan formulation and implementation		✓	
Quality of buildings and other physical infrastructure		✓	✓
Approval of building designs		✓	
Development of greenbelt, entertainment area		✓	
Public lavatories		✓	
Construction of community buildings and guest house		✓	✓
Water supply and sewerage plan implementation, operation/maintenance	✓	✓	✓
2. Relating to water resources, environment and sanitation			
Water source protection and utilization		✓	✓
Irrigation programme implementation	✓	✓	✓
Control of soil erosion and river encroachment	✓	✓	✓
Assistance in pollution control, environmental conservation and consolidation	✓	✓	
Management of soil waste and sanitation programme		✓	✓
Generation and distribution of electricity		✓	✓
Management of micro hydro and other energy programme	✓		
3. Forest and environment			
Plan formulation and implementation of forestry, biodiversity and soil conservation	✓	✓	✓
Prepare and implement programmes to protect environment and forest.	✓	✓	✓

Functions or responsibilities	DDC	Munici-palities	VDC
4. Education and sports			
Permission for running pre primary school with private resources		✓	✓
Recommendation for permission to open schools or close them on priority	✓		
Assistance in management of schools in respective areas and recommendation for opening or closure		✓	
Management and supervision of schools in respective areas			✓
Assistance in making primary schools available in mother tongue		✓	✓
Assistance in supervision, monitoring and management of schools	✓	✓	✓
Provision of scholarship for students of depressed committees		✓	✓
Implementation of audit and informal education programmes	✓	✓	✓
Operation and management of libraries/reading rooms		✓	✓
Development and implementation of sports programmes	✓	✓	✓
Organising sports development committee	✓	✓	✓
5. Culture			
Repair, maintenance and improvement of places of religious importance	✓	✓	✓
Protection, improvement and use of archaeological objects, language, religion, art and culture	✓	✓	✓
6. Public works and transport			
Construction, maintenance, repair of mule track, rural roads and non-metallic roads, culverts and bridges not under HMG care		✓	✓
Parking of bus, rickshaw, tanga (horse-cart), trucks etc.		✓	

Functions or responsibilities	D D C	Munici-palities	V D C
Determining the maximum limit of hand cart, rick-shaw, tanga (horse-cart), etc. and registration and licence		✓	
District road master plan, construction, operation, monitoring and evaluation of district roads	✓		
Construction and repair of suspension bridge	✓		
Necessary provision for means of transport (vehi-cles)	✓		
Issuing, renewing and cancellation of class D con-tractors	✓		
Development and improvement of ropeway and water ways	✓		
7. Health services			
Operation and management of Hospital, Ayurvedic (oriental medicine) dispensary and health centres	✓	✓	
Opening, operation and management of Health Post, Sub Health Post	✓	✓	✓
Formulation and implementation of public health programmes such as family planning, maternity and child care, extended inculation, nutrition, population education and health education	✓	✓	✓
Provision for prevention of epidemics	✓	✓	
Control or prohibition of public use of things harm-ful for public health	✓	✓	
Control or prohibition of use and sale of edible ob-jects harmful for public health	✓		
Inspection and monitoring of surgical equipments	✓		
Primary health and primary education		✓	✓
8. Social service			
Provision for cremation of unclaimed dead bodies		✓	
Programmes for the welfare of women and children	✓	✓	✓
Control of immoral profession/trade	✓	✓	
Removal of social ill practices	✓		
Protection of orphans, helpless, old and disabled people	✓	✓	✓

Functions or responsibilities	DDC	Munici-palities	VDC
9. Industry and tourism			
Work as motivator in promotion of small and cottage industry	✓	✓	✓
Protection of places of tourist interest and heritage	✓	✓	✓
Identification and development of industrial area	✓		
10. Agriculture and land reform			
Policy formulation, implementation supervision and monitoring of Agriculture and Livestock	✓		✓
Provision for seeds, fertilizers and other agricultural inputs	✓		
Promotion of agricultural fair, market place etc.	✓		
Protection and consolidation of fallow and government land	✓	✓	
Provision for grazing land			✓
11. Miscellaneous			
Eradication of child labour	✓	✓	✓
Human resource development	✓	✓	✓
Assistance in cooperative development	✓	✓	✓
Promotion of trade and commerce		✓	
Control of Natural disasters	✓	✓	✓
Vital registration (birth, death, other events)		✓	✓
Provision for slaughter house		✓	✓
Kanji house, detention and auction of stray cattle		✓	
Street light management		✓	
Permission for construction and operation of cinema hall	✓	✓	
Provision for temporary/weekly market (Haat) fair		✓	✓
Management of operation of fire brigade		✓	
Location determination and management of crematorium		✓	
12. Optional functions			
Provision for good quality school education		✓	

Functions or responsibilities	D D C	Munici- palities	V D C
Operation of literacy programme		✓	
Control of unauthorized settlement		✓	
Land use programmes		✓	
Electric supply and communication services		✓	
Museum and zoo		✓	
Job oriented programme		✓	✓
Ambulance service		✓	
Corpse carrying vehicles		✓	
Prevention of natural disaster and relief activities		✓	

Agency functions being carried out by local governments	D D C	Munici- palities	V D C
1. Relating to social security			
Preparing records and identification letters of senior citizens, helpless widows and disabled		✓	✓
Receiving distribution and adjustment of social security fund	✓	✓	✓
2. Relating to election			
Collection and updating of voter list		✓	✓
Involvement in all levels of election	✓	✓	✓
3. Relating to national and international campaigns			
Feeding polio-plus, vitamin A etc.	✓	✓	✓
Involvement in population education, AIDS etc.	✓	✓	✓
Involvement or coordination in different surveys, data collection	✓	✓	✓
4. Relating to emergency service			
Collection of information about natural disasters and distribution of relief goods		✓	✓
5. Management of meetings, ceremonies			
Meetings of Ward Committees, Sectoral Commit- tees, Board and Council	✓	✓	✓
6. Recommendation and certification			
On the spot inspection and recommendation		✓	✓
Publishing notices of different agencies		✓	✓

Source: LBFC, 2000: 29-32

Appendix 4:   Acts contradicting with the LSGA, 1999

1.   Statistics Act, 2015 (1958)

2.   Cinema (Production, Show and Distribution) Act, 2026 (1969)

3.   Local Administration Act, 2028 (1971)

4.   Education (7th Amendment) Act, 2028 (1971)

5.   Public Roads Act, 2031 (1974)

6.   Births, Death and Other Personal Events (Registration) Act, 2033 (1976)

7.   Land Revenue Act, 2034 (1977)

8.   Soils and Watershed Conservation Act, 2039 (1982)

9.   Natural Calamity (Rescue) Act, 2039 (1982)

10.   Mines and Minerals Act, 2042 (1985)

11.   Solid Waste (Management and Resources Mobilization) Act, 2044 (1987)

12.   Judicial Administration Act, 2048 (1991)

13.   Local Bodies (Election Procedures) Act, 2048 (1991)

14.   Sports Development Act, 2048 (1991)

15.   Water Resources Act, 2049 (1991)

16.   Vehicles and Transport Management Act, 2049 (1992)

17.   Forest Act, 2049 (1992)

18.   Electricity Act, 2049 (1992)

19.   Environmental Protection Act, 2053 (1996)

20.   Consumers Protection Act, 2054 (1997)

21.   Animal Health and Animal Services Act, 2055 (1998)

22.   Construction Enterprise Act, 2055 (1998)

23.   Animal Slaughterhouse and Meat Examination Act, 2055 (1998)

Source: LBFC, 2004

Appendix 5:   Steps of the participatory planning process

Preparatory phase

Step 1: Providing general guidance, planning directives and budget estimation (ceiling) for next fiscal year (which starts from mid July) by central level planning authorities (MLD, sectoral Ministries and NPC)

Timeframe: By mid November, every year.

Step 2: Review of guidelines, planning directives and budget estimation (ceiling) by DDC elected officials, chief of sectoral line agencies.

Timeframe: By the third week of November, every year.

Step 3: Planning workshop at district level to disseminate information: policies, estimation of resources, planning instruction, etc.

Participants: DDC officials, chief of sectoral line agencies, representatives of district level financial institutions, representative of District Chamber of Commerce and Industry, representative of NGOs, Chair and Vice Chair of all VDCs, and VDC Secretaries.

Timeframe: By the end of November, every year.

VDC level planning: preparation of Village Development Plan

Step 4: VDC Meeting: Review of planning instruction and analysis of resources for programmes and projects to be carried out in ward/settlement level by VDC.

Timeframe: By the second week of December, every year.

Step 5: Settlement level planning workshop: identification, assessment, and prioritization of projects and development activities and propose to VDC through Ward Committee.

Timeframe: By the third week of December, every year.

Step 6: Ward Committee meeting (sub-VDC level): Prioritization of projects and activities received from settlement level.

Timeframe: By the end of December, every year.

Step 7: VDC Meeting: Preparation of integrated list of projects coming from different wards (9), prioritize, and budget allocation.

Timeframe: By the first week of January, every year.

Step 8: Village Council Meeting: among the proposals of settlement level planning exercise- Approval of programme and projects and prepare prioritized list of request to be forwarded to DDC through *Ilaka*/Sub-district level planning workshop.

Timeframe: By the second week January, every year.

District planning: preparation of development plan

Step 9: *Ilaka*/Sub-district level planning workshop: Prioritize plans and programmes proposed by VDCs and Municipalities

Timeframe: By the first week of February, every year.

Step 10: Sectoral Planning Committee Meeting at district level: Prioritize sectoral programmes identified by VDCs and Municipalities

Timeframe: Second week of February, every year.

Step 11: Integrated Plan Formulation Committee Meeting at district level: Assess, analyse and synchronize sectoral plans and programmes in order to avoid duplication and promote synergic linkages.

Timeframe: Third week of February, every year.

Step 12: District Development Committee (DDC) Meeting: Assess district development plan in relation to central level's planning instructions, guidelines, resources, district policy and guiding principles, resource and poverty maps, etc, and prioritize and approve district development plan.

Prepare prioritized list of programmes and projects to request the central level.

Timeframe: First week of March, every year.

Step 13: District Council Meeting: Review, discuss and approve district development plan

Timeframe: Second week of March, every year.

Step 14: Forward the district development plan to MLD, NPC and sectoral ministries and departments to allocate budget accordingly, and establish planning linkages with regional and national level plans and programmes.

Timeframe: End of March, every year.

Appendix 6:   Participation: power distribution matrix

(Used for assessment of functions and power distribution across the levels 2002/2003)

Functional components	Key players of district-level governance								
	Central level	Local gov't			Line agency	NGOs/ CBOs	PSOs	Donors/ others	Political parties
		DDC	Muni	VDC					
1. Policy making									
Setting of district policy									
Guidelines for planning									
Setting of development principles									
2. Planning									
Vision building (long-term)									
Data-base preparation and updating									
Defining development goals and objectives									
Determining development priorities									
Defining indicators									
3. Administration									
Hiring/firing of staff									
Carrier development of staff									
Internal management									
Defining procedures and determining delivery mechanism									
Customizing service delivery norms and standards									
Assurance of equity in public service delivery									
Handling of grievances and facilitation to get access for people to different services provided by other agencies									

Functional components	Key players of district-level governance								
	Central level	Local gov't			Line agency	NGOs/ CBOs	PSOs	Donors/ others	Political parties
		DDC	Muni	VDC					
4. Financing/budgeting									
Determining tax rates, fees, etc.									
Revenue collection from different sources									
Distribution of grants									
Expenditure approval									
5. Implementation									
Guidelines for implementation									
Priority setting (identification of criteria)									
Implementation of development activities									
Preparation/approval of plan of operation									
Troubleshoot or solve bottlenecks in implementation									
6. Monitoring/evaluation									
Identification indicators									
Carry out monitoring									
Supervision and evaluation									
7. Agency functions									
D: Decision power; I: Information sharing/informed; X : Not direct involvement in decision making but strong indirect influence; C: Consultation G: Provide Guidance or Instructions; -- No any role									

Source: Adapted from MDF, 2003

Appendix 7: Function assessment matrix

(Assessment of functions, roles and responsibilities of DDC and other agencies)

Functions of DDC based on the Local Self-Governance Act, 1999 (Section/Clause 189 A-P)	Who decides?				Which agency performs this particular function in the district?				Who provides the financial resources to perform that particular function?				Who provides the human resources to perform that particular function?				Observations
	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	
1. Agriculture (189 A) - To formulate district-level agriculture and livestock policy, formulate and execute programmes accordingly. - To monitor and supervise programme implementation. - To arrange for the seeds, fertilizers and other agricultural inputs required in the district. - To provide the services relating to agriculture extension in the district. - To promote agricultural markets and fairs. - To manage the markets for agricultural products.																	

Functions of DDC based on the Local Self-Governance Act, 1999 (Section/ Clause 189 A-P)	Who decides?				Which agency performs this particular function in the district?				Who provides the financial resources to perform that particular function?				Who provides the human resources to perform that particular function?				Observations
	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	
2. Rural drinking water and habitat dev't (189 B) - To formulate and implement drinking water plans to benefit the people in more than one village dev't area. - To formulate plans on habitation and market development in rural areas.																	
3. Hydropower development (189 C) - To formulate, implement, operate, distribute and maintain and repair projects on mini and micro hydropower and other energy.																	
4. Works and transport (189 D) - To prepare a master plan of district-level roads in the district development area and get it approved by the District Council. *(Contd.)*																	

Functions of DDC based on the Local Self-Governance Act, 1999 (Section/ Clause 189 A-P)	Who decides?				Which agency performs this partic- ular func- tion in the district?				Who pro- vides the financial resources to perform that partic- ular func- tion?				Who pro- vides the human resources to perform that partic- ular func- tion?				Observations
	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	
- To build, operate, monitor, evaluate, maintain and re- pair the approved district level roads.																	
- To formulate plans, build and maintain and re- pair the suspension bridges.																	
- To make necessary arrangements for means of transport to be operated within the district.																	
- To issue, renew and cancel the 'D' class license of contractors.																	
- To develop and promote the water ways and rope- ways.																	
5. Land reform and land management - To protect and promote the unreg- istered/ untitled land and govern- ment barren land situated within the district develop- ment area.																	

Functions of DDC based on the Local Self-Governance Act, 1999 (Section/ Clause 189 A-P)	Who decides?				Which agency performs this particular function in the district?				Who provides the financial resources to perform that particular function?				Who provides the human resources to perform that particular function?				Observations
	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	
6. Welfare of women and helpless people - To prepare and implement a plan required for the welfare of the women in the district. - To carry out activities for the protection of orphans, helpless women, the older, disabled and incapacitated persons as per the national policy. - To carry out activities to wipe out social ill-practices.																	
7. Forest and environment (189 G) - To prepare plans to protect and promote forests, vegetation, biological diversity and soil conservation. - To implement such environmental plans and programmes. - To protect and promote the environment.																	

Functions of DDC based on the Local Self-Governance Act, 1999 (Section/Clause 189 A-P)	Who decides?				Which agency performs this particular function in the district?				Who provides the financial resources to perform that particular function?				Who provides the human resources to perform that particular function?				Observations
	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	
8. Education and sports (189 H) - To set priorities for establishing schools in the district development area and make recommendations. - To make recommendation, setting out rationale and reasons, for the approval and dissolution of the schools in the district. - To supervise and monitor the schools in the district and assist in their operation and management. - To formulate policies and programmes for the district level adult education as well as informal education. - To set programmes relating to sports and physical development, and implement them. - To form a district level sports development committee.																	
9. Wages and labour (189 I)																	

Functions of DDC based on the Local Self-Governance Act, 1999 (Section/ Clause 189 A-P)	Who decides?				Which agency performs this particular function in the district?				Who provides the financial resources to perform that particular function?				Who provides the human resources to perform that particular function?				Observations
	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	
- To determine rate of wages for labour and rate of workmanship at the district level.																	
- To set up and operate programmes on abolition of child labour and rescue of children.																	
10. Irrigation and soil erosion and river control (189 J) - To formulate and implement plans and programmes on irrigation, ditches, embankments, and small ditches providing facility to more than one village development area.																	
- To manage the operation, maintenance and repair of irrigation systems.																	

Functions of DDC based on the Local Self-Governance Act, 1999 (Section/ Clause 189 A-P)	Who decides?				Which agency performs this particular function in the district?				Who provides the financial resources to perform that particular function?				Who provides the human resources to perform that particular function?				Observations
	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	
11. Information and communication (189 K) - To give approval to set up cinema halls in the district development area, except in the Municipal area. - To open district level libraries, reading rooms and information centres in rural areas, except in the Municipality area.																	
12. Language and culture (189 L) - To keep records of culturally and religiously important places in district development area - To preserve and promote them by maintaining and repairing on time. - To promote various languages, religions and cultures. - To preserve & promote archaeological objects/sites, languages, religion, art, culture in the district.																	

Functions of DDC based on the Local Self-Governance Act, 1999 (Section/Clause 189 A-P)	Who decides?				Which agency performs this particular function in the district?				Who provides the financial resources to perform that particular function?				Who provides the human resources to perform that particular function?				Observations
	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	
13. Cottage industry (189 M) - To maintain records of the cottage industries to be established within the district. - To identify and develop an industrial zone in the district.																	
14. Health services (189 N) - To operate and manage district level health posts, hospitals, Oriental medicine/ Ayurvedic dispensaries, health centres. - To formulate and implement programmes like family planning, mother-child welfare, extensive vaccination, nutrition and population education and public health. - To give approval to open sub-health posts in the village development areas, monitor and inspect the operation																	

Functions of DDC based on the Local Self-Governance Act, 1999 (Section/Clause 189 A-P)	Who decides?				Which agency performs this particular function in the district?				Who provides the financial resources to perform that particular function?				Who provides the human resources to perform that particular function?				Observations
	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	Central Level	Line Agencies	DDC	Others	
- To make arrangements for the supply of medicines, materials, equipments relating to treatment as required in the district; monitor and inspect the quality. - To prohibit or remove the public use of the things injurious to public health in the district. - To prohibit the sale, distribution and consumption of such consumable goods as may cause adverse impacts on public health.																	
15. Tourism (189 O) - To protect, promote, expand and utilize the natural, cultural, historical and touristic heritages in the district.																	
16. Miscellaneous (189 P) - To maintain data of the district development area. - To carry out necessary acts in respect to controlling natural calamities.																	

Appendix 8: Planning diary, 2003-2004

(Sample)

Happy New Year 2060 **(Nepali Year/B.S.)** DAMODAR ADHIKARI PhD Student & Development Researcher Dortmund University, Germany ***Declaration*** *This diary has been prepared to collect data for the PhD study. The information provided in this diary will be used only in aggregated form. The personal information filled in this diary will not be used for any other purpose and will not be shared with anyone. The researcher exclusively guarantees maintaining privacy of information and takes full responsibility.* Baneshwar, Kathmandu Tel.: 4479567, Fax: 4499700 e-mail: dadhikar@wlink.com.np	**Personal information** Name : .... Permanent address : .... Office .... Designation:... Telephone: Office ………Home............ Mobile No... e-mail:.. Citizenship No./district:........................ License No. .... Passport No./district: .... Blood group: .... Contact address in case of emergency: .... Tel. No.: ....
April 2003 1 Baisakh 2060 **14 Monday** 08 .... 09 .... 10 .... 11 .... 12 .... 13 .... 14 .... 15 .... 16 .... 17 .... **16 Wednesday 3 Baisakh 2060** 08 .... 09 .... 10 .... 11 .... 12 .... 13 .... 14 .... 15 .... 16 .... 17	**April 2003 2 Baisakh 2060** **15 Tuesday** 08 .... 09 .... 10 .... 11 .... 12 .... 13 .... 14 .... 15 .... 16 .... 17 .... **17 Thursday 4 Baisakh 2060** 08 .... 09 .... 10 .... 11 .... 12 .... 13 .... 14 .... 15 .... 16 .... 17 ....

April 2003 5 Baisakh 2060	April 2003 6 Baisakh 2060
18 Friday	**19 Saturday**
08	
09	**Following information are be filled by**
10	**the dairy user on every Saturday.**
11	
12	Major achievement of the week
13	1.
14	2.
15	3.
16	4.
17	5.

If pre-scheduled activities could not be completed in the week, please describe below.

Description of activities	Hours	Specific reasons

Appendix 9:   Interview guide for exploratory interview at district level

Declaration
This inquiry is carried out for academic purposes to fulfil the requirement of Ph. D. research. The information collected will not be used for any other purposes. All information will be compiled and used for the declared purpose and individual's name or references will not be quoted anywhere.

Damodar Adhikari, Ph.D. Student, University of Dortmund, Germany

Name: Position: Organisation:

District: Date: Place:

1. Procedures
  – Rapport establishment
  – Validation of issue outlined below. Interviewee may agree or disagree, but it is important to write the reason if he/she disagrees with a particular issue. If interviewee would like to modify or rewrite the issue, he/she can do so. It is possible to add a new issue, at the end on the last sheet.

2. Expected results to be achieved after the interview

At the end, the following results are expected to be achieved.
  – Identified issues are validated
  – New issues are identified, if there are any
  – Causal factors of each issue are explored
  – Potential implications of each issue are explored

Major issues that prevent district plan from being implemented successfully	Do you agree with the issue? (write 'yes' or 'no'); if you don't agree, please explain the reason	Causal factors (Bullets, if interviewee agrees on the issue)	Potential implications (Bullets, if interviewee agrees on the issue)
1. Fundamentals of planning – ignored or undermined			
2. Annual planning and programming process as formalities/rituals			
3. Weak planning and management capacity of local bodies			

Major issues that prevent district plan from being implemented successfully	Do you agree with the issue? (write 'yes' or 'no'); if you don't agree, please explain the reason	Causal factors (Bullets, if interviewee agrees on the issue)	Potential implications (Bullets, if interviewee agrees on the issue)
4. Weak partnership, functional coordination and collaboration with other development partners			
5. Weak resource base and resource management			
6. Centralised attitude and behaviours			
7. Weak organisational structure of local bodies			
8. Strong central domination and weak decentralisation in reality			
9. Weak monitoring and evaluation system			
10. Development politics and biases			
11. Weak participation and social inclusion			
12. Unviable size and structure of local bodies for planning			
13. Weak political will, commitments and accountability			
14. Cultural and behavioural issues (planning with emotion, too optimistic in planning, but pessimistic in implementation, differences between saying and doing)			
15. Weak development management system and internalization of learning			
16. Difficult terrain and scattered settlements in the context of conflict situation			

Major issues that prevent district plan from being implemented successfully	Do you agree with the issue?	Causal factors	Potential implications
	(write 'yes' or 'no'); if you don't agree, please explain the reason	(Bullets, if interviewee agrees on the issue)	(Bullets, if interviewee agrees on the issue)
17. Overlap in roles and responsibilities of local bodies and line agencies			
18. Deteriorating conflict and security situation			

Are there any particular issues that are not covered above? If yes, write on the following space provided (19, 20, ...) or attach additional pages, if needed.

19.			
20.			

Thank you for your contribution.

Appendix 10: Exploratory interview with policy makers

(Policy level: Joint Secretaries and Secretary, MLD)

Interview guide

Interviewees:	Interview date:
Interviewer:	Place:

1. Expected results

At the end of the interview, the following results will be achieved
– Identified issues and gaps are validated
– Efforts are made by central/policy level to solve or minimize the effects of related issues
– Potential policy implications of each issue and gaps are explored

2. Procedures

The structure below is only a suggestion. Remember that a semi-structured interview is a 'communication' so it might be appropriate to ask the questions in a different order and to change floating points. Care must be taken, however, to cover all the main questions directly related to each planning and implementation issue in the course of the interview.

2.1 Introduction (Rapport building)

In this interview, I would appreciate it if I could hear your ideas about the current district planning and implementation practices, implantation gaps and related burning issues, their causal factors and potential implementation and how the issues could best be settled.

Examples:
As you know, I am doing a research for my Ph.D. study…. …….and my job is ….

2.2 Briefing the topics and context
– Background of the research and its context
– Objectives and expected results of the interview
– Recording and note taking arrangements

Quantitative indicators for measuring gaps (based on last 3 years' track records)

Plan	Versus	Actual Implementation/Performance
- Physical Targets (overall)	Vs	Actual achievement (overall)
- Amount of budget allocated	Vs	Actual expenses
- Beneficiaries targeted	Vs	Beneficiaries benefited
- Time allocated	Vs	Actual time spent for implementation
- Amount of revenue generation targeted	Vs	Actual revenue generated at local level

2.3 Exploration points and focuses

Exploration on each issue has to be carried out in such a way that it covers the following areas in each issue.

a) Opinion on the issues in general
b) Problems/barriers
c) What can be done and how
d) Potential implications
e) Efforts made so far

Key issues to be explored

1. Centre-local relations and collaboration at the decentralised level
Issue: Centre-local relation and collaboration at the decentralised level is weak.

2. Accountability, participation: representation and inclusiveness
Issue: Poor accountability maintained at the local level, weak participation, representation and inclusiveness of women, poor and ethnic communities are not sufficient.

3. Poverty and equity
Issue: One of the arguments for decentralisation is equity; however, LB has very poor focus on these issues.

4. Fundamentals of planning – ignored or undermined

5. Strong central domination and weak decentralisation in reality

6. Weak planning and management capacity of local bodies

7. Weak supervision, monitoring and evaluation system

8. Unviable size and structure of local bodies for planning

Further exploration

Are there any particular areas that we have not discussed that you feel are important? If yes, attach additional pages.

(Follow-up as needed)

Concluding the interview

Appendix 11: Exploratory interview with middle level policy makers

Interview guide

Interviewees:	Interview date:
Interviewer:	Place:

1. Expected results

At the end of the interview, the following results will be achieved
– Identified issues and gaps are validated
– Efforts made by central/policy level to solve or minimize the effects of re-
   lated issues
– Potential policy implications of each issue and gap are explored

2. Procedures

The structure below is only a suggestion. Remember that a semi-structured interview
is a 'communication' so it might be appropriate to ask the questions in a different
order and to change floating points. Care must be taken, however, to cover all the
main questions directly related to each planning and implementation issue in the
course of the interview.

2.1 Introduction (rapport building)

In this interview, I would appreciate hearing your ideas about the current district
planning and implementation practices, implantation gaps and related burning is-
sues, their causal factors and potential implementation and how the issues could best
be settled.

Examples:
As you know, I am doing my research for my Ph.D. study…. …….and my job is ….

2.2 Briefing the topics and context
– Background of the research and its context
– Objectives and expected results of the interview
– Recording and note taking arrangements

2.3 Investigation questionnaires

The main questions (MQ)   Suggested floating prompts (FP)

A. (to investigate contextual issues)
A useful starting point for investigating decentralisation in Nepal is to understand
'what is decentralisation' and 'why decentralize'.

1. **(MQ)** What do you understand by decentralisation?
2. **(MQ)** Why is the government interested in decentralisation in recent years?
3. What are the major issues of decentralisation and district planning that the government has been facing at present?
4. **(FQ)** What problems / issues are the government's strategy of decentralisation designed to address?

B. (to investigate stakeholders)

5. **(MQ)** Who do you think are the stakeholders who are promoting decentralisation and local planning?
6. **(FP)** You have said that … is a stakeholder promoting decentralisation and local planning. In your opinion, what are the driving forces that have motivated …… (this stakeholder) …… to promote decentralisation and local planning?
7. **(MQ)** While there are those who are advocates and promoters of decentralisation, I assume that there are also those who are opposed to decentralisation / are proposing an alternative to decentralisation. Can you identify those who are opposed to decentralisation?
8. **(FP)** Can you identify the reason (reasons) for …opposing / promoting an alternative to decentralisation and decentralised planning?
9. **(MQ)** Do you think there has been an adequate consultation of stakeholders in the decision-making on decentralisation? Who has been included / excluded?

C. (to investigate capacity).

Please note in this question – capacity can be made up of staff skills, structures, systems and values. It is most likely that the respondents will focus on staff skills. However, it is worth taking the broader notion of capacity to see if any respondent sees it in this wider sense. One implication of decentralisation is that there is a transfer of responsibility from the centre to the periphery. As you indicated earlier (MQ on responsibilities) …What you see as happening has several implications. I would like us to investigate these.

10. **(MQ)** What capacity will have to be developed at both the centre and the decentralised level for decentralisation to work well?
11. **(FP)** You have indicated several areas of capacity that will be important (such as) …In your view, is there a match between capacities available now to facilitate decentralisation and decentralised planning?
12. **(FP)** If no, how might we ensure that the capacity could be developed? What strategies do you feel are needed to address the mismatch in capacity?

D. (to investigate centre – local relations and collaboration at the decentralised level)

It is also possible to think about areas of potential collaboration and planning linkages in delivering services between neighbouring DDCs, Municipalities and VDCs.

13. **(FP)** How does planning at the centre relate to planning at the decentralised level/district level?

14. **(MQ)** Can you think of any area of service delivery where such collaboration and planning linkages would be possible?

15. **(FP)** What barriers might exist to such collaboration?

16. **(FP)** What can be done to make such collaboration effective?

17. **(FP)** What has been done to make such collaboration effective?

E. (to investigate accountability and representation)

18. **(MQ)** Do you think devolution to the DDCs, municipalities and VDCs will increase the accountability of basic services to the community?

F. (to investigate poverty and equity)

The Constitution of Nepal talks about raising the standard of living of the general population through the development of infrastructure, which includes many things, and spreading the opportunities of economic development to the whole population of Nepal.

19. **(MQ)** Also, will the current institutional arrangements improve the access of the poor to basic services?

20. **(MQ)** Will current arrangements for decentralisation and district planning contribute to reducing poverty? How?

G. (to investigate implications of current conflict situation)

21. **(MQ)** Implications of current conflict situation and the related issues of decentralisation, participation, district planning and overall local governance system?

2.4 Further exploration of issues emerged from the daily diary
(Refer separate sheet/list of issues)

2.5 Further exploration of issues identified from different sources
(Documentary review and observation of participatory planning process at district level)

2.6 Concluding the Interview
Are there any particular areas that we have not discussed that you feel are important in particular?
(Request for follow-up as needed)

Thank you very much for your contribution.

Appendix 12:   Focus group discussion (FGD): key discussion points

1. Objectives
– Triangulation of issues of district planning and implementation and their logics
– Exploration of beneficiaries' perceptions towards district planning process and approaches, implementation status, achievements, etc.

2. Methods and process
– Introduction
– Briefing of objectives of group interview within the research context
– Seeking permission for the recording (in case of audio recording) and photography
– Semi-structured group interviews based on checklist by researcher
– Recording/note taking by one person/assistant
– Observation of the environment and performance by one person/assistant

3. Participants, nature and size of the group
– Participants: Representatives of different types of CBOs and local Cooperatives
– Heterogeneous group in terms of functions and types of organisations
– Mixed group (male, female, caste and others) with proper representation
– If not properly represented, especially in the case of women, separate meetings will be organised with them in their convenient place and time.
– No. of participants: 8-12, if there are more participants; the group will be divided into different groups.

4. Estimated Time: 2.00 to 2.50 hours

5. Checklist for group interviews (tentative, for provoking purpose)

1. Have you participated in the participatory district planning process in the last few years (2-3 years)?

2. If yes, what factors motivated you to participate in the planning process?

3. If yes, what are your general observations about the planning process?

4. If no, why did you not participate in those events? What are the discouraging factors?

5. Do you have the feeling that your participation was counted properly?

6. Were you able to include the local community's needs in the planning discussions?

7. If yes, did you get your community's proposals approved/included in the district plan?

8. If yes, what are the factors that make you able to include your community's proposal in the plan?

9. If not, what do you think are the possible reasons? (Officials' attitudes, sensitivity)

10. If your community's proposals were approved, were those projects implemented?

11. Are there any projects that are approved and implemented from district level agencies, which were not on the top of VDC and Sub-district level priority list? (Projects approved from the back door?)

12. Who implemented that project? Were these implemented on time? Do you agree with the implementation modalities? Which modality do you think more effective and efficient from the beneficiary's perspectives?

13. Are you satisfied with the quantity/quality of work done and benefits in response to the community's proposed need?

14. Did your community also contribute to the successful implementation of the project? If yes, what did your community contribute?

15. What strategies have you to make you able to incorporate your community's need/proposal in the district plans?

16. Are you satisfied with the work performance of VDC and DDCs? How about the performance of line agencies? (Their response to community's need?)

17. Do you feel that district level development agencies are concerned about equity, inclusiveness and are politically un-biased and sincere towards the community's need?

18. From your experiences, what are the significant benefits of the participatory planning process?

19. How does participatory planning help social empowerment, democratic practices, decentralisation and sustainable local development? Does it help?

20. How does the participatory process help decision makers at VDC and DDC levels?

21. What are the limitations/shortcomings of the participatory planning process?

22. How can the participatory planning process be improved to make it more effective? What are your suggestions?

Additionally to women and representatives of minority groups

23. How sensitive are the district and front line development agencies sensitive towards gender, ethnic and equity issues? Do they count proper representation of these groups in planning and implementation processes?

24. Were your community's specific problems discussed in the planning process? If yes, did decision makers support the idea and included the proposal in the plan?

25. If not, what do you think were the reasons for excluding your specific needs in district plans? What are your strategies to make them listen to your community's need?

26. Is there anything relevant to be discussed?

Decentralisation has been a major concern of developing countries, the international development organizations and the scientific community for more than two decades. There is consensus today that decentralisation creates opportunities, enhances participation and promotes democracy at the local level.

In this work on local democracy in Nepal, Damodar Adhikari explores and analyses how power is generated, shared and exercised in district development planning and implementation in a decentralised policy context. The study explores local planning from the perspective of fostering democracy at the local level: how citizen participation takes place; how central level fears of losing control over the power sharing and development process can be addressed; how local governments, development agencies and communities exercise their rationality and power; and how collaboration among stakeholders is structured. This study analyses these issues in the district of Kavre, Nepal, as a case study. The author develops recommendations both for Kavre and for Nepalese policy-making and governance in general.

Damodar Adhikari holds a doctoral degree from the University of Dortmund, Germany. He received a joint Masters in Regional Development Planning from the School of Urban and Regional Planning (SURP), University of the Philippines, and the Faculty of Spatial Planning, University of Dortmund, Germany. In addition, he holds a Masters in Public Administration from Tribhuvan University, Nepal. For more than 20 years he worked in public service in Nepal. Since 2003 he has been working as an independent development researcher and freelance consultant in the fields of planning, decentralization and governance.

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A programme similar to SPRING has been running in Nepal by Purbanchal University since 2003. It was initiated by the SPRING Association of Regional Planners of Nepal (SARP/N) and is supported by Nepalese SPRING alumni.